



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2025_1 EXAMINATION...**

COURSE TITLE: MANAGERIAL ECONOMICS

COURSE CODE: ECO 332

UNITS: 2 UNITS

TIME ALLOWED: 2 HOURS

INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS

- 1a. Explain Profit Maximization as a Business Objective. (15 Marks)
- 1b. Explain Schumpeter's Innovation Theory of Profit. (15 Marks)

- 2. Explain the Cross-Elasticity of Demand. (20 Marks)

- 3. Mention and Explain five Determinants of price elasticity of demand. (20 Marks)

- 4a. Explain the Theory of Production in production function. (10 Marks)
- 4b. Explain the Law of Variable Proportion or Diminishing Returns. (10 Marks)