



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

**COURSE TITLE: ECONOMY AND INDUSTRY ANALYSIS**  
**COURSE CODE: ECO 828**  
**UNIT: 3 UNITS**  
**TIME ALLOWED: 3 HOURS**

**INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS.**

1. a. Explain the concept of profit maximization and its importance in business (10 marks).  
b. Discuss the role of marginal cost and marginal revenue in profit maximization (10 marks).  
c. Describe the ethical considerations that businesses must take into account when pursuing profit maximization (5 marks).
2. a. What is the significance of resource allocation in industry analysis? (7 marks)  
b. Describe how industry analysis can optimize resource allocation (8 marks).
3. a. Define marginal revenue and its role in production optimization (7 marks).  
b. How does marginal revenue analysis indicate market power? (8 marks).
4. a. What are the benefits of informed decision-making in industry analysis? (7 marks)  
b. How can organizations use industry analysis to gain a competitive advantage? (8 marks).
5. a. Explain the law of diminishing marginal returns. (7 marks)  
b. How does this law impact production decisions? (8 marks)