

CRAWFORD UNIVERSITY

FAITH CITY, IGBESA, OGUN STATE

COLLEGE OF BUSINESS AND SOCIAL SCIENCES

DEPARTMENT OF ADMINISTRATION AND MANAGEMENT

HARMATTAN EXAMINATION 2022/2023 SESSION

BUS 209: ECONOMIC THEORY Units: 3 Time Allowed: 2½ hrs

Instruction: Answer any four (4) questions.

1a. Discuss any five (5) Macroeconomic goals the Nigerian government should pursue. (10marks).

b. Distinguish between Absolute Income hypothesis and Relative Income hypothesis. (5marks)

Total = 15

2a. Define the concepts below.

i. Gross Domestic Product (GDP).

ii. Disposable Income (DI). (5marks).

b. Discuss any five (5) objective factors that affect consumption. (10marks)

Total = 15

3a. Differentiate between 'Real money' and 'Nominal money'. (2marks)

b. Identify any Five (5) factors that affect money supply in Nigeria. (5marks)

c. With the aid of well labelled diagram, demonstrate how one of the listed factors in 'b' above leads to increase in money supply. (8marks)

Total = 15

4a. Define the concept of Microeconomics. (5marks.)

b. Given the schedule below;

	Price	Quantity consumed
Initial	500	90,000
Final	750	60,000

c. i. Compute the price elasticity. (7marks)

ii. State type of elasticity obtained in (i) above and give an example of a commodity that exhibits this elasticity in the Nigerian market. (3marks)

Total = 15

5a. Define the concept of Income elasticity of demand. (2marks).

b. List any Three (3) properties of Indifference curve. (3marks).

c. Discuss any Five (5) factors that affect elasticity of demand. (10marks.)

Total = 15

6a. Define the concept of equilibrium price. (3marks).

b. With well-labelled diagram, demonstrate the effect of increase in population on the market equilibrium price and equilibrium quantity of Yam product in Nigeria. (12marks)

Total = 15