

# **ECONOMICS**

## **SS3**

### **SECOND TERM EXAMINATION**

#### **OBJECTIVE: ANSWER ALL QUESTIONS**

1. What year was ECOWAS established? (a) 1975 (b) 1980 (c) 1990 (d) 2000 (e) 2010
2. The Headquarters of ECOWAS is located in which city? (a) Abuja (b) Accra (c) Bamako (d) Lagos (e) Dakar
3. How many member states are in ECOWAS? (a) 12 (b) 15 (c) 20 (d) 25 (e) 30
4. What is the primary aim of ECOWAS? (a) Promote trade among member states (b) Establish a common currency (c) Encourage military cooperation (d) Develop a unified education system (e) Manage immigration policies
5. Which protocol relates to the free movement of persons within ECOWAS? (a) The Lagos protocol (b) The Abuja treaty (c) The protocol on free movement of persons (d) The Cotonou agreement (e) The Accra agreement
6. When was the Central Bank of Nigeria established? (a) 1948 (b) 1952 (c) 1959 (d) 1965 (e) 1972
7. What is the current primary function of the Central Bank of Nigeria? (a) Maintaining National Security (b) Regulating the supply of currency (c) Managing National resources (d) Promoting Agricultural development (e) Providing health care services
8. Which of the following is Not a function of CBN? (a) Issuing Currency (b) Maintaining foreign reserve (c) Promoting Economic growth (d) Conducting election (e) Supervision of banks
9. The Central Bank of Nigeria is responsible for controlling inflation through which policy? (a) Trade policy (b) Industrial policy (c) Monitoring policy (d) Fiscal policy (e) Environmental policy
10. What is the goal of the cashless policy introduced by the CBN? (a) To enhance cash transaction (b) To reduce the use of cash (c) To increase inflation (d) To stabilize currency value (e) To create more physical banks
11. When was International Monetary Fund founded? (a) 1944 (b) 1945 (c) 1950 (d) 1952 (e) 1960
12. What is the primary purpose of IMF? (a) To promote sustainable natural resources management (b) To provide loans to developing countries (c) To ensure global financial stability (d) To regulate foreign trade (e) To enforce International law
13. How many member countries does the IMF have as of 2023? (a) 120 (b) 150 (c) 190 (d) 200 (e) 210
14. The IMF provides financial assistance primarily to countries experiencing which kind of problems? (a) Natural disasters (b) Political unrest (c)

Economic instability (d) Social inequality (e)  
Environmental issues

15. What currency does IMF use as its unit of account?  
(a) Euro (b) US dollar (c) Special drawing rights (SDR) (d) British Pound (e) Japanese Yen
16. What is the purpose of descriptive statistics? (a) To make prediction (b) To summarize and describe data (c) To find relations between variables (d) To establish control over random variables (e) To infer population
17. Which of the following is a measure of central tendency? (a) Standard deviation (b) Range (c) Mode (d) Variance (e) Interquartile range
18. In a normal distribution, what percentage of the data falls within one standard deviation of the mean? (a) 50% (b) 68% (c) 75% (d) 95% (e) 99%
19. Which of the following resources is renewable? (a) Coal (b) Iron ore (c) Rice (d) Limestone (e) Gold
20. The negative effects of mining in West Africa does not include.... (a) Reforestation in rural communities (b) Land degradation (c) Destruction of farm lands (d) Pollution of water bodies (e) Air pollution
21. Resources are pooled for the mutual benefit of member mainly in a ..... (a) Joint stock company (b) Partnership (c) Private company (d) Cooperative Society (e) Sole Proprietor
22. Warehousing is an economic activity that falls under ..... (a) Tertiary production (b) Intermediate production (c) Secondary production (d) Primary production (e) None of the above
23. Which of the following items is NOT classified as working capital? (a) Equipment (b) Fuel (c)

Money to pay wages (d) Semi-finished goods (e)  
Work-in-progress

24. An economic system is mainly concerned with..... (a) Handling situations of abundant resources (b) Studying the relationship between ends and means (c) The establish of economic laws (d) The allocation of scarce resources between alternative ends (e) The opportunity cost
25. The marks obtained by 9 students in a class test are recorded below: 9,8,7,5,7,6,8,9 and 7. What is the median mark? (a) 7 (b) 7.5 (c) 8 (d) 8.5 (e) 9
26. The demand for a factor input as a result of the demand for its output is known as .. (a) Complementary demand (b) Competitive demand (c) Derived demand (d) Market demand (e) Equilibrium point
27. If the demand for a commodity remains constant as price increases, the commodity is said to be ..... (a) Price elastic (b) Unit price elastic (c) Price inelastic (d) Perfectly price inelastic (e) None of the above
28. A fall in the price of a normal commodity which has elastic demand will result in ..... (a) A fall in quantity demand (b) An increase in revenue (c) A fall in demand (d) A decrease in revenue (e) An increase in supply
29. A supply of light could be met using a candle, lantern and gas lamp. This is an example of a ..... (a) Complementary supply (b) Joint supply (c) Composite supply (d) Abnormal supply (e) Normal supply
30. If the government stops subsidy on Cocoa production, the supply curve of Cocoa will .....

- (a) Shift to the right (b) Become vertical (c) Shift to the left (d) Remain unchanged (e) Shift upward
31. Consumers have access to a variety of goods through the activities of ..... (a) Advertising agencies (b) Wholesalers (c) Retailers (d) Mass media (e) Producers
32. The production process is said to be complete when the goods have gotten to the ... (a) Retailers (b) Middlemen (c) Final Consumers (d) Wholesalers (e) Marketers
33. During inflation, interest rate will.... (a) Rise (b) Fluctuate (c) Remain constant (d) Fall (e) Stable
34. A bank note is said to be a legal tender because it is ..... (a) Printed by government (b) A store of value (c) Signed by the head of state (d) Backed by law (e) Portable
35. Cost-push inflation is likely to arise when ..... (a) There is increase in bank lending (b) There is increase in subsidies (c) Demand for higher wages is granted (d) There is a decrease in bank lending (e) Lending is not affected
36. One feature of a growing population is ..... (a) Increase in the number of young people (b) Increase in the number of old people (c) Decrease in the dependent population (d) Decrease in the life expectancy (e) Increase in the independent population
37. At which stage of production should a firm shut down? (a)  $AVC = ATC$  (b)  $AVC < Price$  (c)  $AVC > Price$  (d)  $AVC = MC$  (e)  $ATC = MC$
38. The necessary condition for a firm to be in equilibrium is that marginal revenue is ..... (a) Greater than marginal cost (b) Equal to marginal cost (c) Less average revenue (d) Equal to average cost (e) Less than average cost
39. The principle of comparative cost advantage was propounded by..... (a) David Ricardo (b) Alfred Marshal (c) J.S Mill (d) Adam Smith (e) Professor Robinson
40. Which of the following items is not included in the measurement of the National Income using the income approach. (a) Wages and Salaries (b) Government purchases (c) Interest (d) Dividend (e) None of the above
41. Economic problems arise in all societies because (a) Resources are mismanaged by leaders (b) There is no proper planning (c) Resources are not in adequate supply (d) The services of economists are not employed (e) Bad Management
42. Which of the following is not emphasized on in a Production Possibility Curve? (a) Scarcity of Resources (b) Economic Development (c) Inefficiency in the Use of Resources (d) Supply in High Demand (e) Unemployment of Labour
43. The organization of productive factors is the responsibility of the (a) Management (b) Entrepreneur (c) Labourers (d) Production Manager (e) Labour Union
44. Producers operating in a Free Market Economy are more efficient as a result of (a) The existence of competition (b) The very few number of participants (c) Large Market (d) The commitment of the shareholders (e) Government regulation of their activities

45. In a Pie Chart, the population of a city is represented by a sector  $45^\circ$ . If the country has a population of 10 Million people, then the city's population is (a) 0.0045 million (b) 4.5 million (c) 1.25 million (d) 0.045 million (e) 16 million
46. A downward sloping demand curve means that (a) Total revenue declines as price is lowered (b) Demand falls as output rises (c) Demand is constant (d) Price must be lowered to sell more (e) Demand falls as output falls
47. If the price of Commodity X rises and consumers shift to Commodity Y, then Commodities X and Y are (a) Substitutes (b) Complements (c) Inferior (d) Bought Together (e) Superior to Each Other
48. Goods whose demands vary directly with money income are called (a) Inferior Goods (b) Complementary Goods (c) Composite Demand (d) Normal Goods (e) Substitute Goods

Use the table below to answer questions 9 and 10

Quantity	0	1	2	3	4	5	6	7
Total Cost	20	25	28	30	38	55	92	135

49. The Total Fixed Cost is (a) \$7.00 (b) \$30.00 (c) \$20.00 (d) \$135.00 (e) \$38.00
50. At output level 5, the Total Variable Cost is (a) \$5.00 (b) \$20.00 (c) \$55.00 (d) \$35.00 (e) \$30.00
51. A Cost of Production that is positively related to output is the (a) Total Fixed Cost (b) Average Fixed Cost (c) Variable Cost (d) Social Cost (e) Imaginary Cost
52. Which of the following means of funding a business is very reliable and cheap? (a) Bank

- Loans (b) Loans from Friends (c) Plough Bank Profits (d) Debentures (e) Shares
53. Middlemen are made up of (a) Manufacturers, Wholesalers and Consumers (b) Manufacturers, Wholesalers and Retailers (c) Wholesalers, Retailers and Hawkers (d) Wholesalers, Retailers and Consumers (e) Wholesalers, Agent and Hawkers
54. In most under developed countries, development plans do not achieve their objective due to (a) Poor Coordination between Local and National Governments (b) Exportation of more primary products (c) Lack of Educational Institutions in those countries (d) Urban – Rural migration of citizens (e) Too many emigrants to countries
55. Balance of Trade involves exchange of (a) Goods only (b) Services only (c) Goods and Services (d) Goods and Capital (e) Services and Capital
56. Devaluation of currency may not correct a balance of payment deficit if the demand for export is (a) Perfectly Inelastic (b) Perfectly Elastic (c) Fairly Elastic (d) Unitary Elastic (e) Elastic in Nature
57. The major achievement of the Economic Community of West African States (ECOWAS) is that it has (a) Made capital more mobile (b) Made possible the use of common currency (c) Increased members allegiance to former colonial masters (d) Widened the market for goods produced (e) Reduced members of states
58. Which of the following is central to the definition of Economics? (a) Resources (b) Wants (c) Scarcity (d) Capital (e) Choice

59. Land as a factor of production is made useful through the (a) Application of Human Effort (b) Acts of Nature (c) Application of Fertilizer (d) Use of Machines (e) Expansion of the Land

60. The location of iron and steel industry at a place is due to (a) Easy access to Raw Materials (b) Access to Cheap Labour (c) Government Policy (d) Good Infrastructure (e) Access to Social Amenities

## Essay

Answer four (4) questions in all. One question from Section A and any three (3) from Section B. All questions carry equal marks.

### SECTION A

Answer one (1) question only from this section

1. A hypothetical national income data for a country in a particular year is presented below

ITEMS	MILLION (\$)
Wages and Salaries	250
Income Paid Abroad	75
Income from Self-Employment	120
Stock Appreciation	5
Interest	10
Income Received from Abroad	50
Rent	25
Depreciation Allowance	3
Royalties	2
Profits and Dividends	35

From the data above, answer the following questions. Calculate the;

- Gross Domestic Product (GDP) **10 Marks**
  - Gross National Product (GNP) **5 Marks**
  - Net National Product (NPP) **5 Marks**
2. The table below shows the hypothetical age distribution of the population of a country in 2019. Use the information to answer the questions that follow.

AGE GROUP (YEARS)	POPULATION
0 – 17	54,000
18 – 30	18,000
31 – 45	14,000
46 – 60	10,000
61 and above	24,000

- What percentage of the population is made up of;
  - Children

**3 Marks**

- ii. The Working Population **3 Marks**
- iii. The Aged **3 Marks**
- iv. Dependents **3 Marks**
- b. i. If the birth rate is 46 per thousand, what is the number of births recorded in 2019? **5 Marks**
- ii. If the death rate is 16 per thousand, what is the number of deaths recorded in 2019? **5 marks**
- c. What is the natural increase in population in 2019? **3 Marks**

### **SECTION B**

Answer three (3) questions only from this section

- 3. (a) What is demand schedule?  
(b) State the law of demand.  
(c) Using appropriate examples, explain the following types of demand (i) Competitive demand (ii) Derived demand (iii) Joint demand (iv) Composite demand
- 4. Distinguish between the following terms;
  - a. i. Capital Expenditure and Recurrent Expenditure. **8 Marks**
  - ii. Fiscal Policy and Monetary Policy. **8 Marks**
  - b. Explain four (4) reasons why the government of a country imposes taxes. **8 Marks**
- 5. a. Differentiate between unemployment and under employment  
b. With one example each, explain the following
  - i. seasonal unemployment
  - ii. Structural unemployment
  - iii. Fictional unemployment
  - iv. Cyclical unemployment
- 6. a. Define Consumer Goods. **4 Marks**
- b. Explain the following Forms of Capital with an example of each;
  - i. Fixed Capital **3 Marks**
  - ii. Social Capital **3 Marks**
  - iii. Circulating Capital **3 Marks**
- c. Outline three (3) reasons for the low level of savings in a country. **12 Marks**