



UNIVERSITY OF EDUCATION, WINNEBA.

COLLEGE OF TECHNOLOGY EDUCATION - KUMASI
DEPARTMENT OF ACCOUNTING STUDIES EDUCATION

END OF SECOND SEMESTER EXAMINATIONS

COURSE TITLE	INTRODUCTION TO MACROECONOMICS
COURSE CODE	ECO 121
DURATION	TWO HOURS 20 MINUTES
NAME OF LECTURER	WILLIAMS KWASI BOACHIE
INSTRUCTIONS	ANSWER ANY <u>THREE</u> QUESTIONS

Q1.

- Define the national income and briefly explain how it is measured.
- What is the importance of national income accounting to a nation like Ghana?
- Briefly explain any **three** measures a government could introduce to encourage many foreign firms to invest in their country

Q2.

- Explain any **three** main causes of unemployment in your country and suggest any **three** solutions to curb it.
- Explain the terms structural unemployment, frictional unemployment and cyclical unemployment.
- Discuss any **three** economic costs and **three** non-economic costs of unemployment to the unemployed in your country.

Q3.

- Explain any **four** uses of national income estimates.
- Distinguish between the Gross Domestic Product (GDP) and Gross National Product (GNP).
- Mention any **four** weaknesses of the GNP as a measure of welfare.

Q4.

- a. Briefly explain Walter Rostow's **four** preconditions necessary for economic development.
- b. Explain **three** main causes of inflation and suggest **three** ways to curb it.
- c. The table below shows the initial prices and new prices of certain basic commodities between two periods.

COMMODITY	YEAR 1 PRICE (¢)	YEAR 2 PRICE (¢)	PX RELATIVE
Fish / Kg	12	16	133
Rice / Kg	8	12	150
Yam / Kg	4	5	125
Salt / Kg	6	3	50

- i. Use the data above to determine whether there is inflation or not.
- ii. What conclusions can you draw from your computations?