



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS**  
**SCHOOL OF MANAGEMENT SCIENCES**  
**SEPTEMBER/OCTOBER 2015 EXAMINATION**

**COURSE CODE:** ACC320 **CREDIT UNIT:** 2  
**COURSE TITLE:** ECONOMICS AND BUSINESS ENVIRONMENT  
**TIME ALLOWED:** 2 HRS

**INSTRUCTIONS:** 1. Attempt question Number one (1) and any other two (2).  
2. Question number 1 is compulsory and carries 30 marks, while the other questions carry 20 marks each.

**3. Present all your points in coherent and orderly Manner**

Question 1a. Explain how business firms maximise profit?  
b. Differentiate between positive and normative economics.  
c. Discuss the two branches of economics known to you

Question 2a. Explain the concept of Elasticity.

b. With the help of diagram explain how a rise in the price of a perfectly elastic good affect demand for good.

Question 3. In the Nigerian capital market, the major participant is the Nigerian Stock Exchange (NSE). Discuss the role of NSE in the economic development of Nigeria.

Question 4. Write short notes on:

- a. Direct action environment and
- b. Indirect action environment.

Question 5. What are the pitfalls in Max Weber's concept of bureaucracy?