



NATIONAL OPEN UNIVERSITY OF NIGERIA
14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
SCHOOL OF SCIENCE AND TECHNOLOGY
JUNE/JULY EXAMINATION

COURSE CODE: AEM724

COURSE TITLE: Macroeconomics

TIME ALLOWED: 2 1/2 HOURS

INSTRUCTION: ANSWER ONLY 4 QUESTIONS

1. a.
 - i. What is Gross National Product (GNP)?
 - ii. What are the major determinants of final demand?
- b.
 - i. State four functions of money.
 - ii. Why would your country embark on an expansionary monetary policy?
 - iii. Mention the role of Central Bank in implementing expansionary monetary policy.
2. a.
 - i. Mention the advantages of large capital flow in an economy.
 - ii. Mention the challenges/disadvantages posed by large capital flow in an economy.
 - iii. Define GDP for a given year.
 - iv. Name the basic methods of measuring GDP.
- b.
 - i. Define economic growth.
 - ii. Define economic development.
 - iii. Mention the basic methods of measuring economic growth.
3. a.
 - I. Define the following:
 - i. GNP at factor cost;
 - ii. GNP at market prices;
 - iii. Net National Product;
 - iv. Disposable Income; and
 - v. Transfer Payment.
 - II. What is consumption function?
 - III. Define the following terms:
 - i. Average Propensity to consume;
 - ii. Marginal Propensity to consume.
4. a.

- I. Define the following terms?
 - i. Autonomous investment;
 - ii. Induced investment;
 - iii. Marginal efficiency of investment.
- II. Mention the factors affecting inducement to invest.
- III. Name the different types of Unemployment.

5. a.

- I. Define macroeconomics.
- II. Define the following terms:
 - i. Deflation;
 - ii. Disinflation;
 - iii. Hyperinflation;
 - iv. Stagflation; and
 - v. Reflation.

b.

- i. What are the causes of Cost-Push Inflation?
- ii. List the common measures of inflation.

6. a.

- i. Define restrictive monetary policy.
- ii. Why does the Central Bank embark on a restrictive monetary policy?
- iii. How does the Central Bank carry out restrictive monetary policy?
- iv. Identify the problems of national income measurement in developing countries.