



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**University Village, Nnamdi Azikwe Expressway, Jabi, Abuja**  
**Faculty of Agricultural Sciences**

**June/ July Examination: 2017.**

**Programme: Agricultural Extension and Management**

**Course Code: AEM751**

**Course Title: Microeconomics**

**Credit Unit: 2**

**Total Score: 100 Marks**

**Time Allowed: 2 Hours**

**Instruction: Answer any four (4) Questions**

1.
  - (a) Outline the characteristic features of the following market structures.
    - i. Perfect competition **(4marks)**
    - ii. Monopoly **(4marks)**
    - iii. Monopolists competition **(4marks)**
    - iv. Oligopoly **(4marks)**
  - (b) Explain the terms market and market structure **(9marks)**.
2.
  - a.
    - (i) Explain the terms utility **(5marks)**
    - (ii) Outline the assumption of cardinal utility **(4marks)**
  - b. Using mathematical derivation, show how Mallam Musa can maximize his utility **(12marks)**
  - c. Define consumer surplus **(4marks)**
3. Write short note on the following.
  - i. Price elasticity of the demand **(5marks)**
  - ii. Income elasticity of the demand **(5marks)**
  - iii. Cross elasticity of the demand **(5marks)**
  - iv. Elasticity of supply **(5marks)**
  - v. Law of diminishing return **(5marks)**
4. Explain briefly the following.
  - a. Price discrimination **(7marks)**
  - b. Total variable cost **(4marks)**
  - c. Total fixes cost **(6marks)**
  - d. Expansion path **(5marks)**
  - e. Marginal rate of technical substitution **(3marks)**

5. (a) Your friend Tolu , a student of history wants to know what economics model is. Explain to him what economics means by economics model **(10marks)**
- (b) Explain why you consider economics a social science **(10marks)**
6. (a) There are lots of impediments to straight thinking in economics that are not present in pure science. List these impediments **(5marks)**.
- (b) Write short note on the following
- i. Resources **(10marks)**
  - ii. Increasing cost industries **(6marks)**
  - iii. Decreasing cost industries **(4marks)**