



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF AGRICULTURAL SCIENCES
SECOND SEMESTER EXAMINATION
JANUARY/FEBRUARY, 2018**

PROGRAMME: AGRICULTURAL EXTENSION AND MANAGEMENT

COURSE CODE: AEM 724

COURSE TITLE: MACROECONOMICS

CREDIT UNIT: 2

TOTAL SCORE: 70 MARKS

TIME ALLOWED: 2 HOURS

INSTRUCTION: ANSWER QUESTION ONE (1) (25mks) AND ANY OTHER THREE (3) QUESTIONS (15mks) each.

1(a) Explain fiscal policy and monetary policy **(17marks)**.

(b) How is fiscal policy related to capital flow and money supply? **(8marks)**

2. Certain economic variables determine the composition of gross domestic product (GDP) of a nation. Briefly explain this statement as it is applied in macroeconomic theory **(10marks)**.

3. (a). What is economic growth? **(5marks)**

(b). is it possible for a country to have economic growth without economic development? **(3marks)**

(c). Outline the different methods of measuring GDP **(2marks)**

4. Briefly explain the drawbacks of measuring national income **(10marks)**.

5. Discuss the concept of marginal efficiency of investment and marginal efficiency of capital, bringing out the difference between the two terms **(10marks)**.

6. Explain vividly the classical and Keynesian concepts of unemployment **(10marks)**