



**NATIONAL OPEN UNIVERSITY OF NIGERIA
14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
SCHOOL OF MANAGEMENT SCIENCES
JUNE / JULY, 2013 EXAMINATIONS.**

COURSE CODE: PSM805 CREDIT UNIT: 2

COURSE TITLE: Economic Development of Nigeria

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 equal marks each**
- 3. Present all your points in coherent and orderly manner**

1a) What is monetary policy?

b) List any three (3) goals of monetary policy and give explanation of each of them.

c) Monetary policy instruments are those variables under the control of monetary authorities.

What are they used for? Mention three examples each of *direct and indirect instruments*.

2a) Discuss any two major reasons for low productivity in the Nigerian public sector.

b) What is Fiscal policy? Name five (5) uses of fiscal policy in Nigerian economy?

3a) The big push theory originated from Rosentein-Rodan. According to Rodan, the need for big push in underdeveloped countries arises from at least three indivisibilities. In a simple term explain these indivisibilities.

b) List five criticisms levied against Big Push theory and explain any two of them.

4) Discuss the major problems of plan implementation in Nigeria and strategies for addressing them.

5a) What is indigenisation? Give two reasons for the indigenisation Policy in Nigeria.

b) Explain four advantages and four disadvantages of indigenization in Nigeria.