NATIONAL OPEN UNIVERSITY OF NIGERIA
DEPARTMENT OF ECONOMICS
FACULTY OF SOCIAL SCIENCES
2020_1 EXAMINATIONS

COURSE TITLE: ECONOMIC PLANNING II
COURSE CODE: ECO448
UNITS: 2
TIME ALLOWED: 2 HOURS
INSTRUCTIONS: ANSWER THREE QUESTIONS.
QUESTION NUMBER ONE IS COMPULSORY. Question 1 = 30 marks; Question 2-5 = 20 marks each).

1a. Define the planning model. **(3 marks).**
1b. Define planning model according to Otokiti S.O. (1999). **(4 marks).**
1c. Give five reasons why planning is important in every activity we do. **(5 marks).**
1d. List and explain three elements in development planning model.**(18 marks).**

2a. State the Harrod-Domar Model.**(10 marks).**
2b. Discuss the sectoral and sub-sectoral planning model.**(10 marks).**

3a. State the two assumptions underlying ranking projects and sectors in order of their Cost-benefit ratios for priorities. **(6 marks).**
3b. Explain the Optimal Investment Allocation.**(14 marks).**

4a. List the conditions and generalizations of linear programming.**(12 marks).**
4b.Define the social accounting matrix (SAM) and state the contents of the Goods and services accounts. **(8 marks).**

5. Given the simple SAM (matrix S) below;

Sub-Sectors	Agriculture	Industry	Households	Government
Agriculture	45	15	20	18
Industry	30	30	15	10
Household	25	10	0	15
Government	15	25	10	2

1. Looking at the matrix above, calculate how much total will be used by agriculture and industry. **(8 marks).**
2. Explain how we arrive at, and give the values for household & government. **(12 marks).**