



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**FACULTY OF AGRICULTURAL SCIENCES**  
**DEPARTMENT OF AGRICULTURAL ECONOMICS AND EXTENSION**  
**KM. 4 KADUNA-ZARIA EXPRESS WAY.**  
**2020\_2 EXAMINATION**

**Course Code:** AEM724  
**Course Title:** Macro-Economics  
**Credit Unit:** 2  
**Exam Question:** POP 2020\_2  
**Total Score:** 70 Marks  
**Instruction:** Answer compulsory question 1 (25 marks) and any other 3 questions ( 15 marks each).  
**Time Allowed:** 2 Hours.

- 1a. Calculate the average propensity to invest in an economy if an investment of #123,000.00 yields Income of #312,000.00 per annum (5 marks).
- b. Explain any five components of GDP (5 marks).
- c. Economic growth is not synonymous with economic development. Discuss (5 marks).
- d. Describe any five common types of unemployment (5 marks).
- e. State five problems of using GDP per capita as a yardstick for measuring human welfare (5 marks).
- 2a. Explain five difficulties in calculating national income (10 marks).
- b. Define GDP and give any four examples of its variables (5 marks).
- 3a. Define disposable income and express it algebraically (10 marks).
- b. What is net national product (5 marks).
- 4a. Outline any five importance of National Income analysis (10 marks).
- b. Distinguish clearly between Average Propensity to Consume and Marginal Propensity to consume (5 Marks).
- 5a. Discuss the four objective factors affecting consumption (10 marks).
- b. Differentiate between autonomous and induced investment (5 marks).
- 6a. Mention the principal objectives of monetary policy (5 marks).
- b. State the Relative Income Hypothesis (5 marks).
- c. Outline any five functions of money in an economy (5 marks).