

LR11-7-1

REDEEMER'S UNIVERSITY

PMB 230, EDE, OSUN STATE



COLLEGE OF MANAGEMENT & SOCIAL SCIENCES

DEPARTMENT OF ECONOMICS AND BUSINESS STUDIES

COURSE CODE /TITLE ECO 101: INTRODUCTION TO ECONOMICS I - 2ND BATCH

FIRST

SEMESTER EXAMINATIONS

2017/2018

SESSION

INSTRUCTION: ATTEMPT THREE QUESTIONS IN ALL. ALL QUESTIONS IN SECTION A AND ANY OTHER TWO QUESTIONS IN SECTION B

TIME ALLOWED

2 HOURS

UNITS: 2

Section A

1. If you smoke cigarette, your lung will be affected
 - a. Positive aspects of science
 - b. Prescriptive aspects of science
 - c. Descriptive aspects of science
 - d. Ethical aspects of science
2. What year did Lionel Robbins defines Economics?
 - a. 1931
 - b. 1932
 - c. 1933
 - d. 1934
3. The quantity of commodity demand^{ed} that does not change as price changes is known as...
 - a. Perfectly elastic demand
 - b. Perfectly elastic supply
 - c. Perfectly inelastic supply
 - d. Perfectly inelastic demand
4. Indirect type of demand is regarded as.....
 - a. Complementary demand
 - b. Derived demand
 - c. Composite demand
 - d. Competitive demand

5. The phrase Laissez-faire is from.....word
- Greek
 - English
 - French
 - Hebrew
6. What is the Greek word for Economics?
- Eikonomia
 - Oickonomia
 - Oikonomia
 - Eckonomia
7. Production can be defined as.....
- Creation of utility
 - Transformation of raw materials into finished goods
 - Satisfaction of human wants
 - All of the above
8. What was the year the book by the father of modern Economics written?
- 1723
 - 1776
 - 1790
 - 1721
9.defines 'an art' as a system of rules for attainment of a given end
- Cossa
 - Mehta
 - John Maynard Keynes
 - Marshall
10. What is the most important factor of production?
- Land
 - Labour
 - Capital
 - Entrepreneur

11. Labour cannot be stored implies.....
- The quantity and quality of production can be increased and improved by employing more labour
 - More qualified or competent labours will be employed
 - When there is division of labour
 - Labour may lose the acquired skill left unused
12. Law of diminishing ^{returns} reveals itself through.....
- Total output
 - Average output
 - Marginal output
 - Fixed and Variable outputs
13. If there is an increase in demand it means that the original quantity can only be sold at a higher price.
- True
 - False
 - Uncertain
 - Ambiguous
14. Economics is
- Science or Art
 - Neither Science nor Art
 - Science and Art
 - None of the above
15. Who ^{is} ~~was~~ known as the father of modern Economics?
- John Maynard Keynes
 - Lionel Robins
 - Marshall
 - Adam Smith

16. When there is a decrease in demand while supply remains constant is.....
- a. Excess supply
 - b. Excess demand
 - c. Equilibrium supply and demand
 - d. None of the above
17. Classical definition of Economics can also be referred to as.....
- a. Wealth definition
 - b. Lionel definition
 - c. Nature definition
 - d. Cossa definition
18. What was the book written by the father of modern Economics?
- a. Inquiry into the principles of nature and causes of the wealth of nations
 - b. Inquiry into the nature and causes of the wealth of nations
 - c. Inquiry into the nature, causes and wealth of nations
 - d. Inquiry into the nature of wealth and causes of wealth of nations
19. Capital that is easily converted into cash within a short period of time is
- a. Working capital
 - b. Circulating capital
 - c. Fixed capital
 - d. Social capital
20.is the law made by government in controlling of price?
- a. Price system
 - b. Price legislation
 - c. Price determination
 - d. Price discrimination
21. Equilibrium price is determined in a market when.....
- a. Price equates supply
 - b. When price equates demand
 - c. When supply and demand equates
 - d. When there is excess demand and supply

22. What are the two methods used in analyzing Economics?
- a. Positive and Normative
 - b. Science and Art
 - c. Inductive and Deductive
 - d. Methodological and Theoretical
23. One of the characteristics of public good includes.....
- a. Externality
 - b. Merit good
 - c. Indivisibility
 - d. productive
24. Two basic categories of economic resources are.....and.....
- a. Consumer and Capital
 - b. Property and Human
 - c. Land and Labour
 - d. Capital and Entrepreneur
25. The benefits and costs that accrue to others who are not involved in the production and consumption of goods and services are known as
- a. Public goods
 - b. Merit goods
 - c. Externality
 - d. Non-rivalry goods
26. What are the two basic factors that are related to demand of a particular commodity
- a. Price and Place
 - b. Price and Time
 - c. Price and Income
 - d. All of the above

27. Advantages of division of labour include.....
- Decrease the use of machine
 - Invention are not facilitated
 - Decline in craftmanship
 - None of the above
28. If there is a decrease in supply, it implies that the original quantity will sell at a lower price
- True
 - False
 - Uncertain
 - Ambiguous
29. is the system that determines the rate at which goods and services are produced, exchanged and distributed
- Production system
 - Price system
 - Distribution system
 - Allocation system
30. The quantity of commodity supply that changes as price remains constant is known as...
- Perfectly elastic demand
 - Perfectly elastic supply
 - Perfectly inelastic supply
 - Perfectly inelastic demand..... 30 marks

Section B

Question 1

- Lionel Robbins defined economics as the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses. From this definition, identify some basic points that Robbins was able to point out..... 10 marks
- What are the limitations of theoretical economics? 5 marks

Question 2

- What are the disadvantages of division of labour.....10 marks

b. What is the most important or essential factor of production? Why? 5 marks

Question 3

a. Given two commodities below, calculate and interpret the cross elasticity of demand.

Commodity X

Commodity Y

PRICE	QUANTITY
2	20
4	10

PRICE	QUANTITY
2	15
3	25

..... 10 marks

b. What are the causes of information and market failure? 5 marks

Question 4

a. Given the demand equation

$Q_d = 25 - P$ (1)

And the supply equation

$Q_s = -45 + 9P$ (2)

Find the equilibrium price and quantity..... 5 marks

b. Given the table below, calculate the average and marginal output

Fixed (land)	Variable (labour)	Total output	Average output	Marginal output
2	1	49		
2	2	152		
2	3	303		
2	4	496		
2	5	725		
2	6	984		
2	7	1267		
2	8	1568		
2	9	1881		
2	10	2200		

..... 10 marks