

ECO122 List of Questions

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Q1 If Nigeria purchased N30 billion of gasoline from other countries last year, but it also sold N70 billion of gasoline to other countries last year, the Nigeria's net gasoline exports will be _____

- ☐ N30 Billion
- ☒ N40 Billion
- ☐ N20 Billion
- ☐ N42 Billion

Q2 Various functions of commercial banks can be divided into three main groups; Primary Functions, Agency Functions and _____

- ☒ General utility function
- ☐ mass utility function
- ☐ collect money of people
- ☐ None of the above

Q3 The two essential functions that a financial institution must perform to become a bank are accepting deposit and _____

- ☐ Lending to the other bank
- ☐ given out
- ☒ Lending to the public
- ☐ All of the above

Q4 A banking company is one which transacts the business of banking which means the accepting for the purpose of lending all _____ of deposits of money from the public

- ☐ time
- ☒ investment
- ☐ income
- ☐ None of the above

Q5 The meaning of Y_d in macroeconomics is _____

- ☒ disposable income
- ☐ income
- ☐ spend income
- ☐ None of the above

Q6 _____ an institution which accepts deposits, makes business loans, and offers related services

- ☐ Merchant bank
- ☒ commercial bank
- ☐ industry bank
- ☐ microfinance bank

Q7 At the end of 1988, the banking system consisted of the Central Bank of Nigeria, forty-two commercial banks, and _____ merchant banks

- ☐ 21
- ☐ 23
- ☒ 24
- ☐ 22

Q8 In 1952 several Nigerian members of the Federal House of Assembly called for the establishment of a central bank to facilitate

- ☐ growth
- ☐ banking services
- ☒ economic development
- ☐ All of the above

Q9 British colonial officials established the West African Currency Board in _____ to help finance the export trade of foreign firms in West Africa and to issue a West African currency convertible to British pounds sterling

- ☒ 1912
- ☐ 1922
- ☐ 1923
- ☐ 1812

Q10 No banking legislation existed Nigeria until

- ☒ 1952
- ☐ 1902
- ☐ 1932
- ☐ 1955

Q11 In _____ Nigeria's first bank, the African Banking Corporation, was established

- ☐ 1882
- ☐ 1893
- ☐ 1894
- ☒ 1892

Q12 A _____ is a financial intermediary that accepts deposits and channels those deposits into lending activities, either directly by loaning or indirectly through capital markets

- ☐ interest rate
- ☐ insurance
- ☐ industry
- ☒ financial institution

Q13 The following are the motives of holding money except

- ☒ Spending Motive
- ☐ Speculative Motive
- ☐ transactionary Motive
- ☐ Precautionary Motive

Q14 The following are not functions of money except

- ☐ Medium of production
- ☐ Ability to spend
- ☐ store of value
- ☐ exchange of goods

Q15 The following are the characteristics of money except

- ☐ Homogeneity
- ☐ individuality
- ☐ acceptability
- ☐ stable of value

Q16 Increase in per capita income results in increase in

- ☐ demand
- ☐ supply
- ☐ money supply
- ☐ Economic welfare

Q17 The _____ cannot be said to have increased, if the increase in national income is due to exploitation of labour

- ☐ Economic welfare
- ☐ average income
- ☐ marginal income
- ☐ All of the above

Q18 If the change in national income were due to change in prices, it would be difficult to measure the real change in

- ☐ increase in welfare
- ☐ decrease in welfare
- ☐ Economic welfare
- ☐ None of the above

Q19 According an economists A.C Pigou, assert that there is a close relationship between economic welfare and national income, because both of them are measured in terms of

- ☐ unit
- ☐ money
- ☐ income
- ☐ welfare

Q20 _____ attaches great importance to economic welfare because welfare is a very wide term.

- ☐ Piguo
- ☐ Adams Smith
- ☐ John Smith
- ☐ Keynes

Q21 Economic welfare is that part of social welfare which can directly or indirectly be measured in

- ☐ income
- ☐ money
- ☐ investment
- ☐ savings

Q22 One of the great welfare economists is

- ☐ Adams Smith
- ☐ John Mills
- ☐ Keynes
- ☐ A.C. Pigou

Q23 Economic welfare is a state of the mind which reflects human happiness and

- ☐ welfare
- ☐ its uses
- ☐ satisfaction
- ☐ dissatisfaction

Q24 Investment in economics can be defined as the act of producing capital goods which are not for _____ consumption

- ☐ income consumption
- ☐ immediate consumption
- ☐ autonomous consumption
- ☐ All of the above

Q25 The inverse of average propensity to save is the

- ☐ Average propensity to consume
- ☐ Marginal propensity to consume
- ☐ Marginal propensity to invest
- ☐ None of the above

Q26 The average propensity to save is an economic term that refers to the proportion of income that is _____ rather than spent on goods and services

- ☐ spend on goods
- ☐ use for project work
- ☐ saved
- ☐ All of the above

Q27 Determinants of savings are the followings except

- ☐ interest rate
- ☐ Government factor
- ☐ income level
- ☐ Government fiscal policy

Q28 The income not spent on goods and services for current consumption is called

- ☐ investment
- ☐ wages
- ☒ savings
- ☐ income

Q29 Marginal propensity to consume is defined as the ratio of the change in consumption to the change in ____ that necessitated it

- ☒ income
- ☐ goods
- ☐ services
- ☐ investment

Q30 Meaning of APS is

- ☐ Average product supply
- ☐ Average production surplus
- ☐ Average propensity to surplus
- ☒ None of the above

Q31 ____ refers to the percentage of income that is spent on goods and services rather than on savings

- ☐ consumer surplus
- ☐ income surplus
- ☒ Average Propensity to consume
- ☐ All of the above

Q32 Meaning of APC is

- ☐ Average people consumption
- ☒ average propensity to consume
- ☐ average property to consume
- ☐ average product to consume

Q33 In a geometric fashion, the MPC is actually the slope of the _____ function

- ☒ Consumption
- ☐ income
- ☐ real wages
- ☐ gradient

Q34 The meaning of MPC is

- ☐ manual process consumption
- ☐ marginal process consumption
- ☒ marginal propensity to consume
- ☐ marginal people consumption

Q35 The marginal propensity to consume, on the other hand measures the rate at which ____ is changing when income is changing

- ☐ wages
- ☐ income
- ☒ consumption
- ☐ salary

Q36 Autonomous consumption represents consumption when income is

- ☐ one
- ☐ two
- ☐ three
- ☒ zero

Q37 ____ was developed by John Maynard Keynes and detailed most famously in his book The General Theory of Employment, Interest, and Money

- ☐ Investment function
- ☒ Consumption function
- ☐ income function
- ☐ None of the above

Q38 ____ is a single mathematical function used to express consumer spending

- ☐ Savings function
- ☐ Investment function
- ☒ Consumption function
- ☐ None of the above

Q39 Consumption is distinct from consumption expenditure, which is the _____ of goods and services for use by households

- ☐ uses
- ☒ Purchase
- ☐ process
- ☐ All of the above

Q40 Consumption is the use of goods and services by _____

- ☒ household
- ☐ people
- ☐ nation
- ☐ None of the above

Q41 A banking company is one which transacts the business of banking which means the accepting for the purpose of lending all _____ of deposits of money from the public

- ☒ investment
- ☐ industry
- ☐ businesses
- ☐ None of the above

Q42 The meaning of Yd in macroeconomics is ____

- ☐ York disposable
- ☐ disposable income
- ☐ national income
- ☐ All of the above

Q43 The ____ method calculates the total expenditure required to purchase the nation's output

- ☐ Per capita
- ☐ National income
- ☐ Output \diamond ?? expenditure
- ☐ None of the above

Q44 ____ measures the total value of all, expenditures on goods and services by individual private businesses and public sector (governments) in a particular period of time

- ☐ Expenditure approach
- ☐ income approach
- ☐ Balance approach
- ☐ All of the above

Q45 ____ is used when the value of final good and services produced in the economy are added together, of particular period usually a year

- ☐ Accounting method
- ☐ per capita income method
- ☐ Value added method
- ☐ None of the above

Q46 The following are three basic approaches to the measurement of GDP except one

- ☐ Budget approach
- ☐ Value-added approach
- ☐ Expenditure approach
- ☐ All of the above

Q47 Disposable income or personal disposable income is the actual income which an individual spent on ____

- ☐ consumption
- ☐ income
- ☐ wages
- ☐ trade

Q48 ____ is defined as the ratio of a country \diamond ??s income to its population, while GDP per capita is defined as the ratio of a country \diamond ??s GDP to the population of the country

- ☐ Per capita income
- ☐ Gross domestic Product
- ☐ Goss national Peoduct
- ☐ All of the above

Q49 Domestic income does not include the income earned ____

- ☐ abroad
- ☐ domestically
- ☐ in a year
- ☐ All of the above

Q50 The income of citizens of a country living abroad is termed ____ from the rest of the world

- ☐ factor income
- ☐ total income
- ☐ total investment
- ☐ None of the above

Q51 ____ is the market value of all goods and services produce by all the nationals (citizens) of a given country, irrespective of whether they reside within the domestic country or abroad.

- ☐ Gross domestic Project
- ☐ Gross National Project
- ☐ Gross investment
- ☐ Gross national product

Q52 Mr Afees Oyebo a shoe marker charges N2000.00 for each shoes that he makes. He pays his shop apprentice N200.00 per shoe made in return for sweeping the floor and other chores. For each shoe made, what is the total contribution of Mr Afees Oyebo \diamond ??s and her apprentice to GDP?

- ☐ N2000
- ☐ N2200
- ☐ N2100
- ☐ N2020

Q53 The gross domestic product is the summation of all the values of goods and services produced in a country by the ____

- ☐ nationals and non-nationals
- ☐ country
- ☐ People
- ☐ masses

Q54 RI in national income means ____

- ☐ Real industry
- ☐ Real Income
- ☐ Real investment
- ☐ Real international

Q55 NNP in national income means ____

- ☐ National Net Production
- ☐ National Net Product
- ☐ Nation Net Production

☐ Net National Product

Q56 GDP in national income accounting means _____

- ☐ Gross domestic Product
- ☐ Gross dolly Product
- ☐ Gross Dommy Product
- ☐ Gross Domestic Product

Q57 National income accounting provides economists and statisticians with detailed information that can be used to track the health of an economy and to forecast future

- ☐ income of the country
- ☐ budget
- ☐ growth and development
- ☐ Occurrences

Q58 _____ is a term used in economics to refer to the bookkeeping system that a national government uses to measure the level of the country's economic activity in a given time period.

- ☐ Accounting Policy
- ☐ National income accounting
- ☐ Economic Policy
- ☐ Economic income

Q59 The _____ suggested that increasing total investment, total output, total income and total consumption should raise unemployment caused by deficiency of effective demand

- ☐ Keynesian theory of employment
- ☐ Adams Smith theory
- ☐ Piguo economic theory
- ☐ All of the above

Q60 Microeconomics is the study of individual economic units of an economy whereas macroeconomics is the study of _____ of an economy as a whole

- ☐ Small unit
- ☐ large unit
- ☐ aggregates
- ☐ None of the above

Q61 If the money supply is below the existing demand for money at the given exchange rate, there will be a surplus in the _____.

- ☐ National Budget
- ☐ demand side
- ☐ income level
- ☐ Non of the above

Q62 _____ is measured by the increase in the amount of goods and services in each successive time period

- ☐ Economic growth
- ☐ Balanced of payment
- ☐ National Budget
- ☐ Income

Q63 A country with a net debt must be at a _____ to repay the debt over a reasonably short period of time

- ☐ budget
- ☐ Disadvantages
- ☐ Advantages
- ☐ Surplus

Q64 Rapid growth leads to urbanization and industrialization with their adverse effects on the pattern of living and _____

- ☐ Standard of living
- ☐ environment
- ☐ growth level
- ☐ People

Q65 Generally, economists belief in the possibility of continual _____

- ☐ increase in prices of goods and services
- ☐ growth
- ☐ trading
- ☐ all of the above

Q66 _____ is measured by the increase in the amount of goods and services in each successive time period.

- ☐ Economic growth
- ☐ Balanced of payment
- ☐ Balanced of trade
- ☐ Non of the above

Q67 Economic growth is defined as the process whereby the _____ of a country increases over a long period of time

- ☐ income level
- ☐ Econopmic level
- ☐ growth level
- ☐ real per capita income

Q68 Price stability can be maintained by following a _____ monetary policy

- ☐ counter-cyclical monetary Policy
- ☐ discretionary monetary Policy
- ☐ contractionary monetary Policy
- ☐ Flexible monetary Policy

Q69 In an open economy which imports raw materials and other intermediate products at high prices, the cost of production of domestic goods will always _____

- ☐ negative
- ☐ rise
- ☐ constant
- ☐ reduce

Q70 Rising and falling prices are both bad because they bring unnecessary ____ to some and undue advantage to others

- ☐ trading
- ☐ Loss
- ☐ Gain
- ☐ all of the above

Q71 One of the goals of macroeconomics policy is to stabilize the _____

- ☐ Demand
- ☐ Supply
- ☐ Price level
- ☐ Non of the above

Q72 Keynesian concept of full employment involves the following conditions except

- ☐ Increase in effective demand and high unemployment
- ☐ Increase in effective demand
- ☐ Reduction in the real wage rate
- ☐ Inelastic supply of output at the level of full employment

Q73 Keynes gave an alternative definition of full employment at another place in his _____ publication.

- ☐ General Theory
- ☐ Journal
- ☐ Economics
- ☐ Non of the above

Q74 To achieve full employment, Keynes advocated increase in effective demand to bring about reduction in _____

- ☐ real wages
- ☐ marginal wage
- ☐ wages and salary
- ☐ Non of the above

Q75 Macroeconomics examines economy-wide phenomena such as changes in unemployment, national income, rate of growth of gross domestic product, inflation and _____

- ☐ Demand
- ☐ Price Level
- ☐ trade
- ☐ all of the above

Q76 Macroeconomics is concerned primarily with the forecasting of _____, through the analysis of major economic factors that show predictable patterns and trends, and of their influence on one another

- ☐ National account
- ☐ Nation income
- ☐ Book keeping
- ☐ b. National income

Q77 _____ studies the behavior of the whole (aggregate) economy or economic systems rather than individual economic markets

- ☐ Microeconomics
- ☐ Macroeconomics
- ☐ Monetary
- ☐ development

Q78 John Maynard Keynes developed a general theory of income, output and _____ in the wake of the Great Depression of 1929

- ☐ employment
- ☐ money
- ☐ trade
- ☐ all of the above

Q79 In the 18th century, the _____ adopted it in their table Economique to show the ??circulation of wealth??

- ☐ Economists
- ☐ Mercantilist
- ☐ Physiocrats
- ☐ Non of the above

Q80 The term ??macro?? was first used in economics by Ragner Frisch in

- ☐ 1931
- ☐ 1934
- ☐ 1938
- ☐ 1933