



THE NATIONAL OPEN UNIVERSITY OF NIGERIA  
FACULTY OF SOCIAL SCIENCES  
DEPARTMENT OF ECONOMICS  
2023\_1 POP EXAMINATION

COURSE TITLE: MACROECONOMICS THEORY I  
COURSE CODE: ECO 341  
UNITS: 3  
TIME ALLOWED: 3 HOURS

INSTRUCTIONS: ANSWER ANY FOUR QUESTIONS. ALL QUESTIONS CARRY EQUAL MARKS.

**QUESTION 1**

- With the aid of appropriate diagram, distinguish clearly between macro dynamics and comparative statics in the study of macroeconomics. (8 Marks)
- Describe the saving function. State any four (4) main determinants of saving expenditures. (9.5 Marks)

**QUESTION 2**

- Outline any four (4) main features of the relative income hypothesis. (8 Marks)
- Give an overview of the concept of investment (9.5 Marks)

**QUESTION 3**

Critically examine the basic assertions of the Quantity Theory of Money (17.5 marks)

**QUESTION 4**

In a hypothetical economy, suppose:

$$I_0 = N600 \text{ million} \quad C = 200 + 0.75Y$$

- Find the equilibrium income ( $Y^*$ ) (12 marks)
- What is the value of the multiplier?(5.5 marks)

**QUESTION 5**

What are the determinants of the demand for and supply of money in an economy

(17.5 marks)

**QUESTION 6**

Write short notes on the following:

- Gross Domestic Product (GDP) (4 marks)
- Gross National Product (GNP)(4 marks)
- Closed economy (5.5 marks)
- Open economy(5 marks)