



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2023_2 EXAMINATIONS**

COURSE TITLE: PUBLIC SECTOR ECONOMICS

COURSE CODE: ECO 447

UNIT: 2 UNITS

TIME ALLOWED: 2 HOURS

INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS

1. (i) Define public debt (10 marks)
(ii) Explain how public debt has been used to solve under listed challenges in Nigeria:
 - Budget deficit
 - Economic development
 - Insecurity
 - Capital project execution (20 marks)
2. Discuss free market economy in line with Nigeria's business environment (20 marks)
3. Briefly explain the following in association with advantages of free market economy:
 - Consumer sovereignty
 - Absence of bureaucracy
 - Optimal allocation of resources
 - Motivational influence of free market (20 marks)
4. Explain the under listed terms in line with drawbacks of free market economy:
 - Poor quality
 - Merit goods
 - Firm power
 - Unemployment (20 marks)