



**THE NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**FACULTY OF SOCIAL SCIENCES**  
**DEPARTMENT OF ECONOMICS**  
**September 2020\_1 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**

- a. Distinguish between Microeconomics and Macroeconomics. **(8 Marks)**
  - b. Show mathematically how a saving function can be derived from consumption function.
- (9.5 marks)**

**QUESTION 2**

- a. Outline **four** (4) main features of the lifecycle income hypothesis. **(8 Marks)**
- b. Discuss the loanable funds theory of investment **(9.5 Marks)**

**QUESTION 3**

- a. With the aid of mathematical expression, explain the relationship between savings and investment **(7.5 marks)**
- b. Explain the Rostow's Five (5) stages of economic growth **(10 Marks)**

**QUESTION 4**

- a. Discuss the accelerator theory of investment **(7.5 marks)**
- b. Elucidate any **five** (5) developmental objectives of an economy **(10 marks)**

**QUESTION 5**

- a. Explain any five (5) functions of money in an economy **(7.5 Marks)**.
- b. Distinguish between economic growth and development **(10 marks)**

**QUESTION 6**

- a. Give an overview of monetary policy **(7.5 marks)**
- b. Examine the five (5) basic principles of the Dualistic - Development Thesis **(10 marks)**