



BOWEN UNIVERSITY
COLLEGE OF MANAGEMENT AND SOCIAL SCIENCES
ECONOMICS PROGRAMME
BSc DEGREE 2022/2023 ACADEMIC SESSION
SECOND SEMESTER EXAMINATION

COURSE CODE: ECN 202

COURSE TITLE: Intro. To Macroeconomics

Course credit: 3

Time Allowed: 2 hours 30 mins

Instruction: Answer question one and any other three

Question 1

a) Briefly explain the following and their determinant:

i. Consumption

ii. Investment

iii. Demand for Money

(9 marks)

b) Consider an economy in which the price level is equal to one and the goods and money markets are described by the following equations:

$$C = 400 + 0.2Y_d; I = 80 + 0.5Y - 10r; G = T = 100$$

$$M_d = 100 + Y - 50r; M_s = 100$$

i. Calculate the equilibrium level of income and interest rate, describe your solution with a graph. (8 marks)

ii. Compute the equilibrium level of consumption and interest rate (8 marks)

Question 2

a) Unemployment is a critical issue in today's global economy. Define unemployment and discuss its different forms and causes. Analyze the impact of unemployment on individuals, society, and the overall economy, providing relevant examples from recent economic trends. (10 marks)

b) Consider an economy with the population of 200m. The total labour force is 150m, if 120m are employed. Determine:

(i) the unemployment rate

(ii) Labour force participation rate.

(5 marks)

Question 3

Economic growth and development are two important concepts in the field of economics.

- a) Define economic growth and development, highlighting their key differences. (8 marks)
- b) Discuss the factors that contribute to economic growth and development in Nigeria. (7 marks)

Question 4

- (a) List and explain five features of money (10 marks)
- (b) Evolution of money came because of the problems of barter system. Discuss the problems of barter system. (5 marks)

Question 5

- (a) Discuss the concept of labour market and its key components. (8 marks)
- (b) The labor market equilibrium is a fundamental concept in economics. With the aid of a diagram, explain the concept of labor market equilibrium, highlighting the role of labor demand and labor supply. Discuss the factors that can disrupt the equilibrium, such as labor shortages or unemployment. (7 marks)

Question 6

- (a) Inflation is a significant economic phenomenon that affects individuals, businesses, and the overall economy. (i) Define inflation and discuss its causes, consequences, and measurement methods. (ii) With the aid of a diagram, explain the relationship between inflation and the purchasing power of money. (8 marks)
- (b) List and explain the theories of inflation (7 marks)