

ECONOMICS

2010 - 2018

JAMB

Questions And Answers

UTME 2010 ECONOMICS QUESTIONS

1. Which Economics question paper type is given to you?
A. Type A
B. Type B
C. Type C
D. Type D
2. Economics is the study of human behaviour as it relates to the
A. efficient allocation of resources
B. production of goods
C. operation of companies
D. generation of income
3. The downturn in the prices of shares on stock markets is a highlight of
A. efficient allocation of resources
B. the invisible hand
C. the regulatory nature of the market
D. consumer rationality
4. If $\sum fx = 6$ and $N = 6$, determine the value of
A. 36
B. 12
C. 1
D. 72
5. The standard deviation of a set of data is
A. always measured from the mode
B. the most representative of averages
C. always measured from the median
D. a measure of dispersion
6. The mean is the best measure of central tendency because it
A. is not affected by extreme values in a data
B. is a midpoint value in an array of data
C. is a balancing point in an observation
D. can be calculated from incomplete data
7. The most popular sizes of dresses and shoes are determined by the
A. range
B. mean
C. mode
D. median

8. If the demand for a good is more elastic than its supply, the tax burden is borne
 - A. equally by consumers and producers
 - B. more by producers
 - C. more by consumers
 - D. more by retailers and producers

9. If the price of a commodity with elastic demand increases, the revenue accruing to the producer will
 - A. double
 - B. increase
 - C. be constant
 - D. decrease

10. An excess demand for beans will result from
 - A. an increase in the price of beans
 - B. a decrease in the price of beans
 - C. an increase in the supply of beans
 - D. a decrease in the supply of beans

11. Consumer surplus tends to be higher when demand is
 - A. inelastic
 - B. perfectly elastic
 - C. elastic
 - D. unitarily elastic

12. One of the assumptions of ordinal utility theory is that
 - A. choice is not consistent
 - B. utility can be ranked
 - C. total utility is a function of price
 - D. satisfaction is measurable

13. The law of diminishing marginal utility explains why
 - A. the slope of a normal demand curve is negative
 - B. an abnormal demand curve slopes upwards
 - C. the slope of a normal demand curve is positive
 - D. the consumption of inferior goods increases with income

14. If a consumer plans to spend 120k on four oranges but spent 80k, his consumer surplus is
 - A. ₦1.50

- B. ₦0.40
C. ₦1.00
D. ₦2.00
15. A set of factors that can shift the supply curve are changes in
A. weather, price and technology
B. technology, weather and population
C. technology, price and taste
D. population, price and taste
16. If the coefficient of price elasticity of supply is greater than one, the supply is said to be
A. perfectly elastic
B. fairly inelastic
C. infinitely inelastic
D. fairly elastic
17. If commodity X is a by-product of commodity Y, this implies that both commodities are
A. in competitive supply
B. in composite supply
C. jointly supplied
D. in excess supply
18. In perfect competition, price is determined by the
A. government
B. sellers
C. buyers
D. market
19. In order to reduce hardship faced by consumers due to high prices government can introduce
A. maximum prices
B. commodity boards
C. minimum prices
D. price control boards
20. Average product is less than marginal product when
A. there is constant returns to scale
B. there is increasing returns to scale
C. there is decreasing returns to scale
D. diminishing returns set in
21. A firm enjoying economies of scale is said to be
A. reducing average cost as production increases
B. benefiting from the activities of other firms
C. maximizing profits as production increases
D. having an upward-sloping average cost curve
22. The rising portion of the long-run average cost curve of a firm is an indication that it is experiencing
A. increasing efficiency
B. economies of scale
C. diseconomies of scale
D. increasing marginal returns
23. An industry's supply curve is more likely to be elastic when firms are
A. enjoying free entry and exit
B. operating at full capacity
C. operating below capacity
D. maximizing profits
24. One of the characteristics of monopolistic competition is that
A. there is mobility of factors of production
B. no single seller dominates the market
C. the firms are price-takers
D. consumers have perfect knowledge of price
25. The demand curve for factors of production
A. is perfect elastic
B. slopes upwards
C. slopes downwards
D. is perfectly inelastic
26. An agreement among firms on price and segmentation is termed
A. cartel
B. collusion
C. haggling
D. specialization
27. In national income accounting, tax is determined by the
A. level of income
B. level of consumption

- C. level of investment
D. rate of savings
28. A decrease in aggregate spending in an economy will ultimately lead to
A. boom
B. inflation
C. deflation
D. recession
29. If MPC is 0.7 while government expenditure increased by ₦ 150m, the equilibrium national income is
A. ₦ 214 million
B. ₦ 45 million
C. ₦ 105 million
D. ₦ 500 million
30. The function of money which makes division of labour possible is its
A. unit of account
B. store of value
C. medium of exchange
D. standard of deferred payment
31. By buying treasury bills, the Central Bank of Nigeria intends to
A. increase money supply in the economy
B. reduce the cash reserve ratio for banks
C. reduce money supply in the economy
D. increase the capital base of commercial banks
32. The velocity of money is represented as
A. $\frac{\text{Money supply}}{\text{Real GDP}}$
B. $\frac{\text{Real GDP}}{\text{Money supply}}$
C. $\frac{\text{Nominal GDP}}{\text{Money supply}}$
D. $\frac{\text{Real GDP}}{\text{Nominal GDP}}$
33. One of the functions of commercial banks is
A. maintaining stable price in the economy
B. regulating monetary policies
C. granting loans to customers
D. issuing bank notes and coins
34. A strategy for curbing unemployment is to
A. implement government stabilization policy
B. increase taxes and decrease government expenditure
C. increase government expenditure and decrease taxes
D. ensure even distribution of job opportunities
35. In Nigeria, the distribution of job opportunities
A. balanced budgeting
B. deficit budgeting
C. surplus budgeting
D. zero budgeting
36. National development plans in Nigeria fail mainly because of
A. overdependence on foreign aids
B. inadequate funding of projects
C. poor implementation strategies
D. shortage of skilled manpower
37. The ultimate aim of agricultural policies in Nigeria is to achieve
A. food sufficiency
B. industrialization
C. full employment
D. industrial capacity utilization
38. Government can boost agricultural output in Nigeria primarily by
A. embarking on buffer stock programmes
B. placing embargo on food importation
C. granting subsidies on farm inputs
D. placing farmers on monthly income
39. Localization of industries refers to the
A. spread of firms producing different products
B. siting of industries near the market
C. concentration of firms of an industry
D. siting of firms producing different products

40. In developing countries, governments influence the location of industries in order to
- A. spread development
 - B. redistribute wealth
 - C. encourage entrepreneurs
 - D. encourage industries to earn high profits
41. A disadvantage of Nigeria's dependence on imported petroleum products is the
- A. instability in the demand for the products
 - B. dominance of multinational firms
 - C. instability in the supply of the product
 - D. poor maintenance of the refineries
42. The maximum number of shareholders for a limited liability company's is
- A. twenty
 - B. five
 - C. seven
 - D. infinite
43. The primary motive for an individual engaging in production is to
- A. make profit
 - B. satisfy basic human wants
 - C. redistribute wealth
 - D. put inputs into use

Use the table below to answer question 44 and 45.

Year	Population (000)	Working Population(000)
2000	25	13
2001	30	19
2002	40	32
2003	50	49

44. What is the population growth rate in 2003?
- A. 33.3%
 - B. 20.0%
 - C. 11.0%
 - D. 50%
45. The percentage of working population in 2002 is?
- A. 50%

- B. 25%
- C. 8%
- D. 80%

46. One of the characteristics of free trade zone is
- A. common tariff against non-member countries
 - B. different trade policies of non-member countries
 - C. free factor mobility within the zone
 - D. harmonized trade among member countries
47. If Nigeria imports vehicles from Japan the transaction will appear as a
- A. debit on Japan's balance of payments
 - B. credit on Japan's balance of payments
 - C. credit on Nigeria's balance of trade
 - D. credit on Nigeria's balance of payment
48. One of the objectives of ADB is to
- A. provide subsidies on imported goods to member countries
 - B. mobilize short-term loans for member countries
 - C. promote economic and social development of member countries
 - D. provide technical assistance to only poor member countries
49. The choice of the method of production in an economy is determined by the
- A. level of technical know-how
 - B. rate of population growth
 - C. availability of natural resources
 - D. level of income
50. The amount of labour hired depends on the
- A. number of skilled labour available
 - B. skill of labour
 - C. marginal productivity of labour
 - D. price of the inputs

ANSWER KEYS:

1. C
2. A
3. B
4. A
5. D
6. B
7. A
8. C
9. C
10. A
11. C
12. D
13. B
14. C
15. A
16. C
17. C
18. D
19. D
20. D
21. A
22. A
23. C
24. C

25. B
26. A
27. A
28. B
29. B
30. B
31. B
32. A
33. B
34. D
35. C
36. B
37. A
38. B
39. D
40. A
41. B
42. D
43. C
44. D
45. D
46. D
47. C
48. B
49. C
50. C

UTME 2011 ECONOMICS QUESTIONS

1. Which question paper type of economics is given to you?
 - A. Type A
 - B. Type B
 - C. Type C
 - D. Type D

2. An effective way of controlling inflation in a mixed economy is to
 - A. increase productivity
 - B. reduce income tax
 - C. ration available output
 - D. increase imports

3. One of the limitations PPC assumption is that there is
 - A. no indication of technological development
 - B. no recognition of preferred goods for countries
 - C. technical inefficiency
 - D. abundant resources

4. A major disadvantage of the arithmetic means is that it is
 - A. not useful for large data
 - B. not suitable for further statistical analysis
 - C. cumbersome to determine the actual value
 - D. affected by extreme data

5. Demand patterns are determined by the market on the basis of
 - A. scale of preference
 - B. consumer sovereignty
 - C. consumer rationality
 - D. price of the commodity

6. A consumer surplus measures the
 - A. benefits derived from consuming a cheap commodity
 - B. excess of total expenditure over total utility
 - C. difference between marginal utility and marginal cost
 - D. excess of marginal utility over price

7. If the demand for one commodity excludes another, it is said to be
 - A. complementary demand
 - B. competitive demand
 - C. composite demand
 - D. derived demand

8.

Price (₦)	Quality (Kg)
1	100
2	120
3	150
4	180
5	200

The graph of the schedule above will depict

- A. a kinked demand curve
 - B. a normal demand curve
 - C. an abnormal demand curve
 - D. a diminishing marginal utility curve
9. The median of an odd-numbered set of scores is the
 - A. Middle value in the set
 - B. Highest value in the set
 - C. Arithmetic means of the set
 - D. Most frequent occurring score

 10. If demand increases without a change in supply, equilibrium price and quantity will
 - A. remain unchanged
 - B. shift inward
 - C. fall
 - D. rise

 11. In the process of production, total output is at maximum when
 - A. $MP = 0$
 - B. $MP > 0$
 - C. $AP = 0$
 - D. $AP > 0$

12.

Price (₦)	Qty./ (bags)
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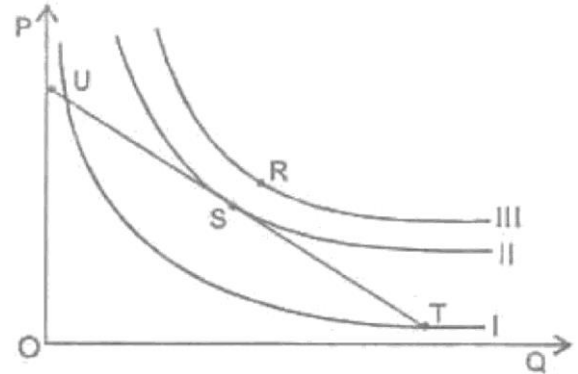
1	60
2	120

From that table above, the price elasticity of supply is

- A. 4
 - B. 25
 - C. 1
 - D. 2
13. When a consumer is at equilibrium, the MRS_{xy} is equal to the
- A. sum of the prices
 - B. product of the two prices
 - C. ratio of the two prices
 - D. difference of the two prices
14. Minimum price legislation by government will
- A. reduce supply
 - B. increase supply
 - C. reduce demand and create surplus
 - D. increase demand and create scarcity
15. Ranking is the method use in measuring
- A. marginal utility
 - B. ordinal utility
 - C. cardinal utility
 - D. total utility
16. If a firm is faced with an elastic supply curve, its revenue will
- A. be supplied at a higher price
 - B. double at a higher price
 - C. increase by more than the percentage increase in price
 - D. equal percentage change in price
17. The optimal range of output for a perfectly competitive firm is
- A. AC is lowest
 - B. AVC is lowest
 - C. MC is rising
 - D. MC is falling
18. A firm will experience diseconomies of scale when
- A. there are difficulties in coordinating production
 - B. there is shortage in labour supply
 - C. the size of market is small
 - D. there is an increase in the price of raw materials
19. The law of variable proportions is applicable only

- A. in the long-run period
- B. to large-scale enterprises
- C. to small-scale enterprises
- D. in the short-run period

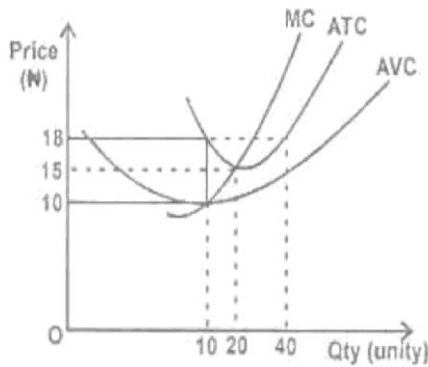
20.



From the Diagram above, the optimal point of production is

- A. R
 - B. T
 - C. U
 - D. S
21. If real income increases while nominal income remains the same, it can be inferred that
- A. Unemployment rate has decreased
 - B. General prices have fallen
 - C. Employment rate has risen
 - D. General prices have risen
22. One of the characteristics of oligopoly is the availability of
- A. few sellers
 - B. few buyers
 - C. many sellers
 - D. a single seller

Use the diagram below to answer question 23 and 24



23. The average total cost when 20 units are produced is

- A. N20.00
- B. N23.00
- C. N13.00
- D. N15.00

24. When 20 units of output is produced, TC will be

- A. N360
- B. N300
- C. N460
- D. N400

25. The profit of a monopolist can be eliminated where price equals

- A. AFC
- B. MC
- C. AC
- D. AVC

26. Bank consolidation policy in Nigeria is a measure to increase

- A. the capital base of banks
- B. employment opportunities in banks
- C. the number of shareholders
- D. the number of branches

27. An increase in the circulation of money without a corresponding increase in output will lead to

- A. a rise in income levels
- B. stagflation
- C. inflation
- D. deflation

28. In national income accounts, an item counted as part of government spending is

- A. salaries and wages

- B. pension
- C. scholarship
- D. social welfare

29. If aggregate demand is lower than total output in an economy national income will

- A. be constant
- B. be at equilibrium
- C. increase
- D. fall

30. During the era of barter, money was generally in the form of

- A. notes
- B. precious metals
- C. coins
- D. commodities

31. A country achieves economic development when there is

- A. an increase in military expenditure
- B. an increase in capacity utilization
- C. a sustained increase in per capital income
- D. an even distribution of goods and services

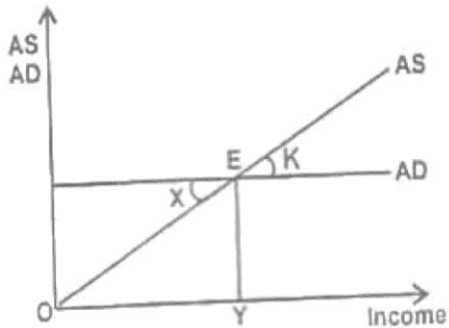
32. An indicator of growth in an economy over a period of time is the

- A. GDP gap
- B. GDP at factor cost
- C. GDP at market price
- D. GDP deflator

33. A country embarks on deficit financing in order to

- A. increase revenue
- B. reduce aggregate demand
- C. curb inflation
- D. stimulate investment

Use the diagram below to answer question 34 and 35



34. The deflationary gap is defined by
 A. X
 B. K
 C. X + K
 D. X - K
35. What does X represent?
 A. recessionary gap
 B. GNP gap
 C. inflationary gap
 D. deflationary gap
36. The import-substitution strategy of industrialization is to encourage
 A. domestic production
 B. large-scale production
 C. importation
 D. exportation
37. Upstream oil activities involve the
 A. management of pollution
 B. marketing of refined products
 C. exploration of crude oil
 D. refining of crude oil
38. Agricultural production in Nigeria is constrained by
 A. ineffective use of stabilization measures
 B. inadequate demand
 C. poor implementation of policies
 D. balance of payments deficits
39. The main function of NNPC is to
 A. oversee the development of the oil sector
 B. develop the oil producing area
 C. fix the price of products
 D. ensure regular supply of products
40. investing heavily in the agricultural sector will lead to
 A. sufficient food production
 B. a vibrant commodity market
 C. capital inflow
 D. stable export prices
41. Industrial development in Nigeria can be encouraged through
 A. signing WTO treaty
 B. granting subsidies
 C. the provision of efficient infrastructure
 D. direct government participation
42. The record of a country's transactions in international trade is her
 A. capital account
 B. balance of payments
 C. current account
 D. balance of trade
43. The transfer to public shareholding corporations to private enterprises is
 A. concession
 B. incorporation
 C. commercialization
 D. privatization
44. A condition in which official and autonomous exchange rate coexist is
 A. dual exchange rate system
 B. managed floating rate system
 C. market determined exchange rate system
 D. multiple exchange rate system
45. In modern economies, the Malthusian theory of population is ineffective because of
 A. birth control measures
 B. technical progress
 C. government policies
 D. natural disasters
46. Optimum population enables an economy to attain the highest level of
 A. Industrial development
 B. Income per head
 C. Revenue generation
 D. Economic development