

LAGOS CITY POLYTECHNIC, IKEJA
SCHOOL OF MANAGEMENT AND BUSINESS STUDIES
DEPARTMENT OF BUSINESS BUSINESS ADMINISTRATION
2015/2016 SEMESTER EXAMINATION

COURSE TITLE: PRINCIPLES OF ECONS II	NO OF QUESTION: 6
COURSE CODE: BFN 122/BAM 124	TIME: ALLOWED: 2HRS
FOR WHOM: ND YR I AC, BA	PT INSTRUCTIONS:
Answer	4

Question

1. (a) Given the complexities of today's economies of the world and the problem of BARTER, the evolution of what we know as money today was inevitable. Discuss this statement, highlight the role money plays in our present societies in helping to solve the problems experienced in BARTER Economy.
- (b) Distinguish, between Money and Near Money
2. (a) Clearly outline and discuss the supremacy of the Apex Bank, the CBN, over other banks using commercial banks in Nigeria as a case study.
- (b) What is money market? Mention two instruments and two participants in the market.
3. (a) Discuss the need for Public Finance in your country.
- (b) What factors have largely contributed to the non tax revenue.
- (c) Give two examples of non-tax revenue you know.
4. (a) Distinguish between Economic growth and Economic development
- (b) Why would Economic growth not promote Economic development
- (c) Given that the growth of GNP and that of population respectively are 21% and 9% what is the per capital income?
5. (a) Distinguish between standard of living and cost of living
- (b) Define National Income and state its Determinants
- (c) Given the following structural equation that $Y = C + I + G + (X - M)$ where $C = N20m$ to $0.6y$
 $I = N50m;$ $G = 10m$
 $Y_0 = N15m;$ $m = N10 + 0.24$
- (i) What is the National Income?
- (d) Assuming that consumption
- (e) Investment (f) And Government (g) Increased by N50m, N60m of and N20m respectively Calculate the New equilibrium level National Income.
6. David Ricardo advanced the logic of comparative advantage to justify international trade among nations (a) why do nations impose restrictions on trade inspite of the advantage?
- (b) Discuss in details four(4) measures designed to restrict international trade