

JAMB

Economics

Past questions

Paper Type: **Objective (PT. 6-10)**

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JAMB ECONOMICS PAST QUESTIONS (PT.6)

1. A country embarks on deficit financing in order to _____

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

2. The money market provides business firms with the avenue to _____

- A. purchase goods and services
- B. purchase capital equipment's
- C. obtain short- term funds
- D. obtain long-term funds

3. The optimum level of output for pure monopolist occurs where _____

- A. P is highest
- B. $P = AC$
- C. $P = MC$
- D. $MR = MC$

4. According to the demographic transition theory, Africa can be said to be at stage _____

- A. 2 and 3
- B. 3 only
- C. 2 only
- D. 1 and 3

5. The Economic Community of West African States (ECOWAS) is an example of _____

- A. globalization
- B. regional marketing board
- C. economic integration
- D. economic union

6. Given: 32, 18, 24, 17, 16, 32, 28, 68, 71 and 15, the mode of the distribution is _____

- A. 71
- B. 56
- C. 32
- D. 15

7. The major determinant of income elasticity of demand is _____

- A. government policy
- B. the availability of substitutes
- C. the price of the good
- D. the level of consumer's income

8. Given: 2, 4, 6, 8, 4 and 6, the absolute mean deviation is _____

- A. 6.00
- B. 1.67
- C. 30.00
- D. 0.60

9. The precautionary demand for money is determined by _____

- A. the level of savings
- B. the rate of interest
- C. general price level
- D. the level of income

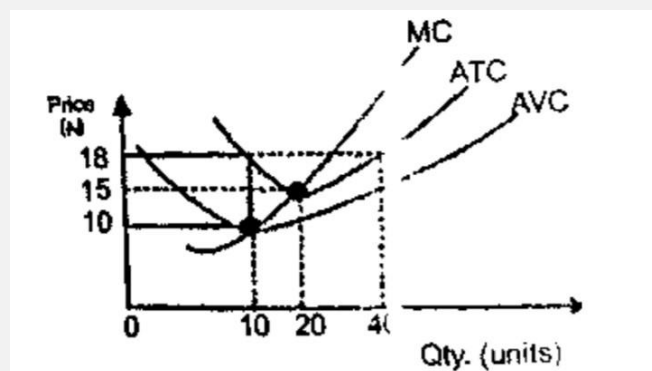
10. If the output of a firm experiencing economies of scale increases, the average cost would _____

- A. be at minimum
- B. rise
- C. be at maximum
- D. fall

11. The demand curve for a normal good is negatively sloped because _____

- A. price is an incentive to producers
- B. price is an incentive to consumers
- C. demand always exceeds supply
- D. price and quantity move in the same direction

12.



The average total cost when 20 units are produced is _____

- A. ₦45.30kg
- B. ₦50.00kg

C. ₦47.50kg

D. ₦5.00kg

13. The major role of multinational companies in the Nigerian petroleum industry is _____

A. oil marketing only

B. oil marketing and prospecting

C. establishment of refineries

D. oil prospecting only

14. Life insurance companies contribute to economic development by holding a part of their assets in _____

A. long-term financial instruments

B. equipment

C. cash and near money

D. money-market instruments

15. The wage rate is mostly related to _____

A. marginal productivity of labour

B. average productivity of labour

C. marginal efficiency of investment

D. total productivity of Labour

16. The choice of how to produce in a command economy is determined by _____

A. consumers

B. government

C. industries

D. labour unions

17. The co-efficient of price elasticity of supply is _____

A. $\frac{\% \text{ change in supply}}{\% \text{ change in price}}$

B. $\frac{\% \text{ change in quantity supplied}}{\% \text{ change in price}}$

C. $\frac{\% \text{ change in quantity supplied}}{\% \text{ change in income}}$

D. $\frac{\% \text{ change in quantity demanded}}{\% \text{ change in income}}$

18. A change in supply of a commodity is due to a change in the _____

A. price of the commodity

B. cost of production

C. price of substitute

D. population growth rate.

19. In a limited liability company, the greatest risk is borne by the _____

- A. preference shareholders
- B. debentures shareholders
- C. ordinary shareholders
- D. board of directors

20. A market characterized by absence of close substitutes of goods and services is an example of _____

- A. a monopoly
- B. an oligopoly
- C. a perfect competition
- D. a monopolistic competition

21. An inflation that co-exists with high rate of unemployment is _____

- A. hyperinflation
- B. cost-push inflation
- C. stagflation
- D. demand-pull inflation

22. The growth and development of small and medium scale enterprises in Nigeria is hampered by _____

- A. poor regulatory framework
- B. poor access to credit facilities
- C. poor management
- D. the small size of the market

23. A major determinant of demand is _____

- A. incentives to workers
- B. level of technology
- C. population
- D. cost of production

24. Which of the following can be used to measure the Gross National Product?

- A. $C+I+G-F(X+M)$
- B. $C+I+G+(X-M)$
- C. $C+I+G+X$
- D. $C+I+G$

25. Find the median of the following set of data 35, 10, 14, 38, 15, 18, 22, 30 and 28.

- A. 10
- B. 22
- C. 38
- D. 35

26.

Unit of output	Total output (Kg)
1	13
2	43
3	123
4	243
5	353
6	483
7	563
8	663

From the table above, determine the average product of the 5th unit of capital.

- A. 310.5
- B. 176.5
- C. 70.6

D. 62.0

27. The problem of what to produce is determined by _____

- A. consumption pattern
- B. the distribution pattern
- C. the state of technology
- D. the volume of production

28. The main function NNPC is to _____

- A. develop the oil producing areas
- B. oversee the development of the oil sector
- C. ensure regular supply of products
- D. fix the prices of petroleum products

29. A major feature of an underdeveloped economy is _____

- A. low rate of population growth
- B. excess capacity utilization
- C. low level of unemployment
- D. low level of standard living

30. A tax on land will ultimately fall _____

- A. partly on agents and users
- B. partly on users and owners
- C. entirely on owners
- D. entirely on users

31. The deregulation on the petroleum sector in Nigeria will bring about _____

- A. efficiency in pricing and distribution of the products
- B. fixing appropriate production quotas
- C. an end to the importation of fuel
- D. an end to foreign firms' dominance

32. One of the ways of correcting a deficit balance of payments is to _____

- A. devalue a country's currency
- B. predenominate a country's currency
- C. reduce imports

D. reduce exports

33. A nation's net export is negative when her _____

- A. export is adjusted upwards
- B. external reserves deplete
- C. depreciation exceeds investments
- D. imports exceeds exports

34. Given: $Q_d = 30 - 3P$ and $Q_s = 9P - 15$, determine the equilibrium price.

- A. ₦12.00
- B. ₦3.75
- C. ₦2.80
- D. ₦3.00

35. The problem of economic development in Nigeria is that of _____

- A. poor weather conditions
- B. overpopulation
- C. surplus skilled manpower
- D. inadequate infrastructure

36. The combination of two commodities that yield the same level of satisfaction is illustrated by _____

- A. a budget line
- B. an isocost curve
- C. a production possibility curve
- D. an indifference curve

37. The demand for inferior goods is inversely related to change in _____

- A. income
- B. price
- C. supply
- D. taste

38. The minimum number of shareholders for partnership is _____

- A. 7
- B. 4
- C. 2
- D. 3

39. When diminishing returns sets in, the total variable cost begins to _____

- A. rise at an increasing rate
- B. fall at a decreasing rate
- C. rise at a decreasing rate
- D. fall at an increasing rate

40.

Unit of output	Total output (Kg)
1	13
2	43
3	123
4	243
5	353
6	483
7	563
8	663

From the table above, the marginal product of the 7th Unit of Capital is _____

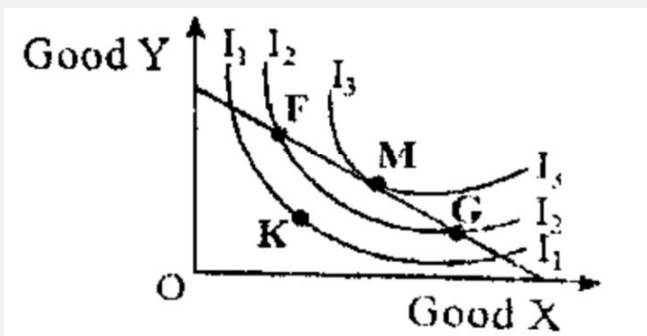
- A. 80kg
- B. 100kg
- C. 310kg

D. 173kg

41. Given: 32, 18, 24, 17, 16, 32, 28, 68, 71, and 15, what is the range?

- A. 26
- B. 32
- C. 56
- D. 68

42.



From the diagram above, the consumer is at equilibrium at point _____

- A. G
- B. F
- C. K
- D. M

43. If $P = \frac{1}{4}(Q_s + 30)$, what is the quantity supplied at ₦18?

- A. 64.5
- B. 42.0
- C. 2.4
- D. 30.0

44. When a consumer is at equilibrium, The MRS x is equal to the _____

- A. product of the two prices
- B. sum of the two prices
- C. ratio of the two prices
- D. difference of the two prices

45. One of the major factors militating against industrialization in Nigeria is _____

- A. low level of foreign investment
- B. frequent break-down of equipment
- C. inadequacy of infrastructural facilities
- D. government participation

46. One of the factors that is considered in the location of a cement industry is nearness to _____

- A. market
- B. raw materials
- C. infrastructural facilitates
- D. skilled manpower

47. A problem facing the development of the Nigerian Petroleum industry in Nigeria is _____

- A. persistent gas flaring
- B. instability in demand for the products
- C. dominance of multinationals
- D. declining oil reserves

48. At full employment level, a contractionary monetary policy will lead to a _____

- A. rise in aggregate supply
- B. rise in aggregate demand
- C. rise in level of inflation rate
- D. fall in the level of inflation

49. A country where the available population is unable to guarantee efficient utilization of available resources is experiencing _____

- A. under population
- B. over-population
- C. high population density
- D. optimum population

50. One of the causes of instability in farmers' income is _____

- A. high level of illiteracy
- B. unfriendly land tenure
- C. unfavourable weather condition
- D. poor management of extension services

CHECK YOUR ANSWERS

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JAMB ECONOMICS PAST QUESTIONS (PT.7)

1. If the arithmetic mean of 2, 3, 5, 8, Z, 10 and 12 is 7, what is the value of Z?

- A. 8
- B. 9
- C. 10
- D. 7

2. The most important function of agriculture to the Nigerian economy is _____

- A. the guarantee of food security
- B. technical skill development
- C. technological development
- D. industrial development

3. Given that $Q_d = 15 - 2P$ and $Q_s = 5 + 3P$, determine the equilibrium price.

- A. ₦3.00
- B. ₦5.00
- C. ₦2.00
- D. ₦6.00

4. Scale of preference is referred to as the _____

- A. choices consumers make
- B. array of consumer's needs
- C. consumer preference for luxurious goods
- D. consumer wants in order of priority

5. One of the basic assumptions of monopoly is _____

- A. perfect information of the market condition
- B. the ability to either control price or output
- C. perfect mobility of factors of production
- D. large number of buyers and sellers

6. The major advantage of a public limited liability company over a private limited liability company is _____

- A. limited liability enjoyed by owner
- B. separate legal entity
- C. easy transferability of shares
- D. perpetual existence

7. The main activity in the upstream oil sector in Nigeria is _____

- A. marketing of petroleum products
- B. distribution of petroleum products
- C. extraction of crude oil
- D. refining of crude oil

8. The natural growth of population is calculated as _____

- A. birth rate + death rate
- B. labour force + dependant
- C. death rate - birth rate
- D. birth rate - death rate

9. The study of age structure of a population is important because it _____

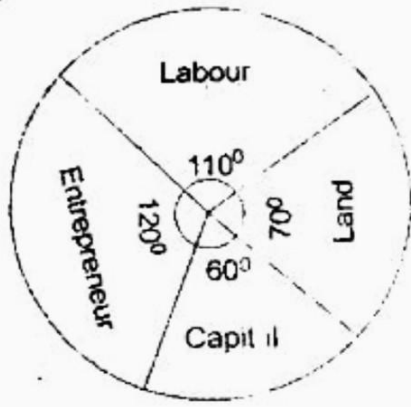
- A. determine the exchange rate
- B. provide the government with statistics on the prevailing interest rate
- C. reveals the cost of living
- D. provides the government with statistics on present size of the labour force

10. If the demand for palm oil is for the purpose of soap production and cooking, the demand is said to be _____

- A. competitive
- B. complementary
- C. composite
- D. derived

11. The institution established to enhance the activities of Nigeria's exports is _____

- A. Nigerian Export and Import Bank
- B. Import-substitution strategy
- C. Nigeria Export Promotion Council
- D. Bank of Industry



12. From the pie chart above, the percentage contribution of entrepreneur is _____

- A. 2.77%
- B. 33.33%
- C. 27.70%
- D. 3.33%

13. A sustained increase in per capita income accompanied by an increase in output is _____

- A. economies of scale
- B. economic efficiency
- C. economic development
- D. economic growth

14. The reward for capita as a factor of production is _____

- A. interest

- B. rent
- C. profit
- D. wage

15. The type of inflation that emanates from excess demand over supply is _____

- A. galloping inflation
- B. cost-push inflation
- C. demand-pull inflation
- D. imported inflation

16. Which of the following problems is associated with national income measurement?

- A. High interest rate
- B. Inflation and deflation
- C. Overpopulation
- D. population growth

17. Freedom of consumption and production are characteristics of _____

- A. socialism
- B. feudalism
- C. capitalism

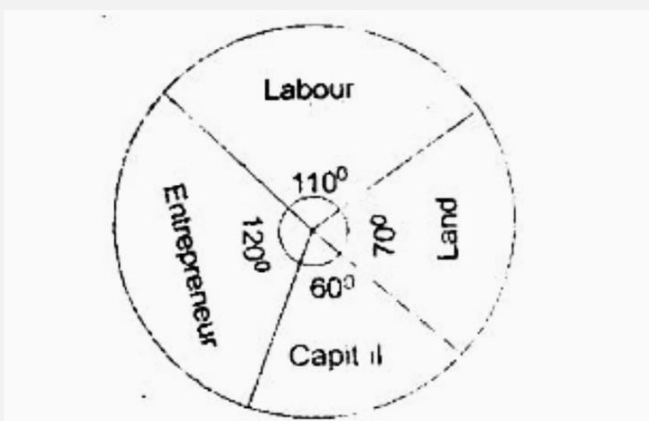
D. communism

18. Cost of raw materials in production is an example of _____

- A. marginal cost
- B. variable cost
- C. total cost
- D. fixed cost

19. Foreign exchange control in Nigeria is administered by the _____

- A. Money deposit banks
- B. Central Bank of Nigeria
- C. Discount houses
- D. Security and Exchange Commission



20. From the pie chart above, determine the contribution of

capital if the total contribution of all factors is _____

- A. ₦12.50 million
- B. ₦142.50 million
- C. ₦50 million
- D. ₦7.50 million

21. The volume of output in an economy is determined by _____

- A. the foreign exchange rate
- B. the standard of living of citizens
- C. population density of a country
- D. efficiency in the use of factors of production

22. Given $Q_d = 30 - 3P$, $Q_s = 9P - 18$. Determine the equilibrium quantity.

- A. 18
- B. 20
- C. 25
- D. 27

23. In Nigeria, industrial development can be enhanced by _____

- A. ensuring stable prices for manufactured goods
- B. reducing government expenditure on imported goods
- C. providing efficient infrastructure
- D. increasing the rate of interest

25. Capital gains tax is an example of _____

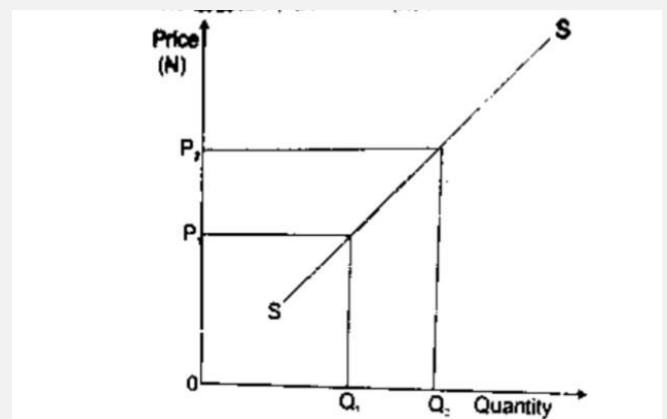
- A. Value Added Tax
- B. purchase tax
- C. sales tax
- D. income tax

26. Which of the following is NOT a source of government revenue?

- A. Taxes, fees, licenses and fines
- B. Interest, dividends, profits and earnings
- C. Personal income, disposable income and transfer earnings
- D. Grants, aids and borrowing

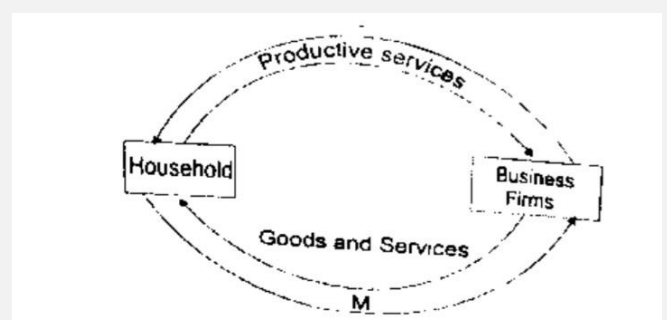
27. One of the important qualities that money must possess is _____

- A. heterogeneity
- B. easy availability
- C. homogeneity
- D. flexibility in value Price



28. The graph above represents _____

- A. a decrease in quality supplied
- B. an increase in supply
- C. an increase in quantity supplied
- D. a decrease in supply Wages



29. From the diagram above, the arrow marked M indicates _____

- A. payments made for foods and services
- B. payments made to factors of production
- C. the flow of capital goods
- D. the flow of economics rent

30. A change in the quantity supplied of a commodity is influenced by _____

- A. the price of substitutes
- B. the price of the commodity
- C. consumer's tastes
- D. technological know-how

31.

Price (₦)	Quantity Demanded
6	20
5	16

From the table above, calculate the elasticity of demand.

A. 0.03

B. 0.30

C. 0.33

D. 0.04

32. One of the functions of money deposit banks in economic development is _____

- A. that it is banker to the government
- B. the provision of credits facilities
- C. the formulation of monetary policies
- D. issuing of currency notes

33. One of the arguments against the practice of monopoly is _____

- A. merging of producers
- B. competition
- C. exploitation
- D. non-government ownership

34. The main reason why countries engaged in international trade is the _____

- A. opportunity to earn high profit in trading

- B. use of capital-intensive method of productions
- C. difference in their endowment of economic resources
- D. difference in the population structure

35.

Cup of milk taken	Total utility	Marginal utility
1	18	18
2	24	6
3	29	5
4	X	3
5	34	2
6	35	1
7	35	0

From the table above, what is the value X?

- A. 32
- B. 35
- C. 34
- D. 30

36.

Quantity consumed	Total Utility	Marginal utility
0	0	--
1	10	10
2	15	5
3	17	2
4	18	1
5	18	0

From the table above, it can be inferred that there is _____

- A. diminishing returns to scale
- B. excess of demand
- C. diminishing marginal utility
- D. diminishing marginal productivity

37. A well conducted census is important for _____

- A. economic planning
- B. providing economic opportunities in the rural areas
- C. distribution of educational materials in the cities
- D. revenue generation

38. The cost-saving advantages which a large firm can achieve on its own is called _____

- A. internal economies of scale
- B. diseconomies of large scale
- C. external diseconomies of scale
- D. external economies of scale

39. A country uses the foreign exchange control measure to eliminate balance of payments deficit by _____

- A. limiting her imports to its currency value of exports
- B. limiting her exports to its currency value of imports
- C. overvaluing the country's currency
- D. reducing the nation's domestic price level

40. The role of IBRD as an international institution is to _____

- A. improve trading among member nations

B. finance private businesses in member nations

C. facilitate the development of infrastructure in member nations

D. solve the problem of balance of payments of member nations

CHECK YOUR ANSWERS

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JAMB ECONOMICS PAST QUESTIONS (PT.8)

1. Occupational distribution of population is mainly influenced by _____

- A. economic factors
- B. religious factors
- C. geographical factors
- D. social factors

2. The reward for capital is _____

- A. interest
- B. rent
- C. risk
- D. premium

3. The reduction in the value of a country's currency in relation to the value of the currencies of other nations is known as _____

- A. deflation
- B. inflation
- C. devaluation
- D. revaluation

4. Mortgage banks give loans to investors on a long-term basis to _____

- A. finance agriculture
- B. establish banks
- C. acquire machinery
- D. build houses

5. In a capitalist economy, factors of production are owned and controlled by the _____

- A. citizens
- B. businessmen
- C. government
- D. foreigners

6. The establishment of industries in rural areas will help to reduce _____

- A. urban-rural migration
- B. rural-urban migration
- C. rural-rural migration
- D. urban-urban migration

7. International trade is an application of the principle of _____

- A. industrial production
- B. mass production
- C. regional production
- D. comparative cost advantage

8. The number of people who are qualified to work and who offer themselves for employment is called _____

- A. migrant labour
- B. working population
- C. labour turnover
- D. mobility of labour

9. Which of the following is an advantage of localisation of industry?

- A. Development of subsidiary firms
- B. creation of parallel markets
- C. Development of slums
- D. Attraction of foreign capital

10. The Economic Community of West African States (ECOWAS) has been slow in achieving its objectives because of _____

- A. the activities of multinationals
- B. inadequate personnel at the secretariat
- C. political instability
- D. inadequate international support

11. Joint ventures are partnership involving _____

- A. the poor and the rich
- B. employers and workers
- C. government and private investors
- D. multinationals and individuals

12. In which of the following business units are the owners mostly the customers?

- A. co-operatives
- B. limited liability companies
- C. partnership
- D. public corporations

13. The formula $\frac{\text{index of export prices}}{\text{index of import prices}} \times 100$, is used to measure the _____

- A. volume of trade between countries
- B. direction of international trade
- C. commodity terms of trade
- D. volume of imports

Use the table below to answer question 14.

Products	Ghana	Sierra Leone
Coffee	8 tonnes	2 tonnes
Cocoa	7 tonnes	9 tonnes

14. If specialisation should take place, then _____

- A. Ghana should produce coffee and cocoa
- B. Ghana would benefit by producing cocoa only
- C. Sierra Leone should not produce any of the products
- D. Sierra Leone should produce cocoa and Ghana coffee

15. Which of the following is an invisible item?

- A. Petroleum services
- B. Processed rice
- C. Processed milk
- D. Banking services

16. The full meaning of OPEC is _____

- A. Oil and Petroleum Exporting Countries
- B. Original Petroleum Exporting Countries
- C. Organisation of Petrol Exporting Countries
- D. Organisation of Petroleum Exporting Countries

17. The main concern of economists is to _____

- A. control the growth of population
- B. redistribute income between the rich and the poor
- C. satisfy all human wants

D. allocate scarce resources to satisfy human wants

18. Productive resources can also be called _____

- A. principles of production
- B. factors of production
- C. items of production
- D. labour and materials resource

19. The study of Economics becomes necessary because of the _____

- A. large population size of the world
- B. scarcity of resources
- C. opportunity cost of goods and services
- D. need to satisfy every desire of man

20. The type of demand that exists between torchlight and battery is _____

- A. competitive demand
- B. complementary demand

- C. composite demand
- D. independent demand

21. The population density of a town made up of 50 square kilometre land area and 100 million people is _____

- A. 50,000 people per square kilometre
- B. 0.2 million people per square kilometre
- C. 0.5 million people per square kilometre
- D. 20 million people per square kilometre

Use the table below to answer question 22 and 23.

X	2	3	4	5
F	2	5	2	1

22. From the table, the mean of the distribution is _____

- A. 2.2
- B. 2.5
- C. 3.2

D. 4.5

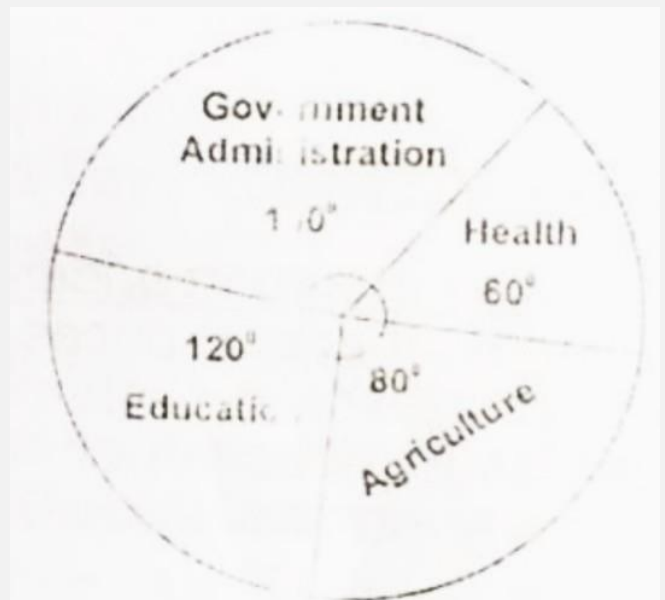
23. What is the median of the distribution?

- A. 5
- B. 4
- C. 3
- D. 2

24. Human wants are insatiable because wants are _____

- A. limited while means are scarce
- B. unlimited and means are also unlimited
- C. limited and means are also limited
- D. unlimited while means are scarce

A country's budget allocation to various sectors of the economy is shown in the pie chart below. Use it to answer question 25 and 26



25. If the budget of the country was \$7,200.00, how much is allocated to education?

- A. \$2,400.00
- B. \$2,000.00
- C. \$200.00
- D. \$1,000.00

26. What is the ratio of expenditure on health to Agriculture?

- A. 2:3
- B. 3:4
- C. 4:3
- D. 5:4

27. Which of the following items is not an example of circulating capital?

- A. Raw material
- B. Money
- C. Fuel
- D. Machinery

28. The principle of comparative cost advantage was propounded by _____

- A. David Ricardo
- B. Alfred Marshal
- C. J.S. Mill
- D. Adam Smith

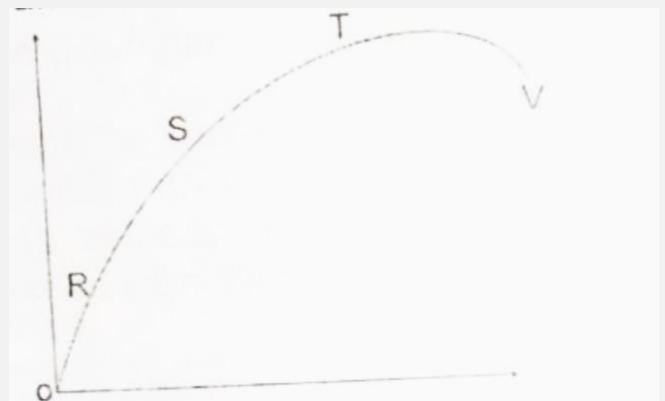
29. The rate at which a country's exports is exchanged for her imports is _____

- A. trade balance
- B. balance of payments
- C. terms of trade
- D. balance of currency account

30. Efficiency of labour in a country is determined by the following except the _____

- A. social attitude to work
- B. education and training
- C. total population
- D. working conditions of workers

31. The diagram below represents a production function. At which of the points does diminishing returns set in?



- A. R
- B. S
- C. T
- D. V

32. Taxes and government expenditures are instruments of _____

- A. monetary policy
- B. tax policy
- C. economic policy
- D. fiscal policy

33. A situation in which a commodity is sold abroad below its cost of production in the home country is known as _____

- A. dumping
- B. counter trade
- C. bilateral trade
- D. trade liberalisation

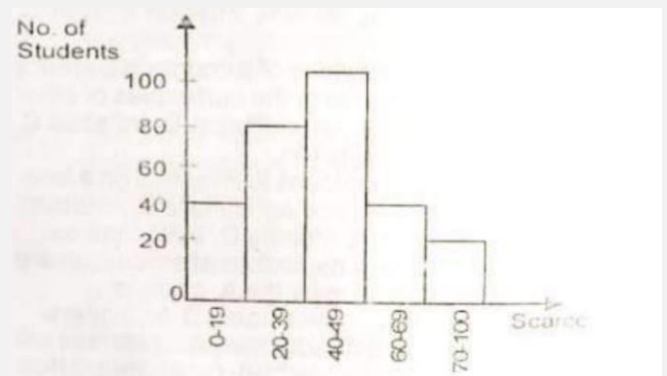
34. The Family Support Programme in Nigeria essentially focuses on _____

- A. the generation of employment
- B. the alleviation of poverty
- C. agricultural and industrial development
- D. economic emancipation of women

35. The Economic Commission for Africa was set up by the _____

- A. UNO
- B. ECOWAS
- C. OAU
- D. IMF

Use the histogram below to answer question 36 and 37.



36. If the pass mark was 40, how many students passed the examination?

- A. 100
- B. 120
- C. 160
- D. 200

37. How many students took the examination?

- A. 280
- B. 240

C. 200

D. 80

38. Utility is the satisfaction derived from _____

A. production

B. distribution

C. consumption

D. demand

39. When a union is composed of workers with the same skill it is called _____

A. an industrial union

B. a workers' union

C. a craft union

D. a technical union

40. The major objective, of a revenue allocation formula in a country is to _____

A. share revenue between the public and private sectors

B. ensure the financial viability of the country

C. share revenue between the different tiers of government

D. divert revenue from areas of surplus to areas of needs

CHECK YOUR **ANSWERS**

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JAMB ECONOMICS PAST QUESTIONS (PT.9)

1. A major assumption in a perfectly competitive market is that _____

- A. the number of buyers and sellers is small
- B. individuals cannot influence prices
- C. the quality of products remain the same
- D. prices will always remain constant

2. The price index computed between two term periods is given as 128%. This implies that the _____

- A. disposable incomes have increased by 28%
- B. living standards have fallen by 128%
- C. living standards have risen by 128%
- D. living standards have risen by 28%

3. The Nigerian Bank for Commerce and Industry is _____

- A. a commercial bank
- B. a development bank
- C. an industrial bank
- D. a merchant bank

4. In a public company, shares are _____

- A. sold to one person only
- B. distributed freely
- C. advertised to members of the public for subscription
- D. disposed of by the Chief Executive

5. Which of the following is used by the Central Bank to control the rate of interest?

- A. Bill of Exchange
- B. Banker's order
- C. Fixed deposit account
- D. Open market operation

6. Given that the cash reserve ratio is 10 percent, what is the maximum amount of money that the banking system can create from an initial cash deposit of ₦100.00?

- A. ₦100.00
- B. ₦1,000.00
- C. ₦9,000.00
- D. ₦10,000.00

7. Which of the following strategies will provide more employment opportunities for Nigerians?

- A. Investment in social services
- B. Industrialisation
- C. Economic planning
- D. Eradication of poverty

8. The difference between the Gross Domestic Product and the Gross National Product is the _____

- A. Allowance for total depreciation
- B. total interest payments

- C. total tax and interest payments
- D. net income from abroad

9. A nation's distribution of income shows _____

- A. the value of all goods produced in the economy
- B. how income is divided among different groups
- C. where the economy system is on its production possibility curve
- D. the consumption behaviour of the people

10. The study of the economic behaviour of individual decision-making units (consumers, resources owners and business firms) in a free-enterprises economy is known as _____

- A. micro economic
- B. macro economics
- C. production
- D. indifference curve

11. Market is defined as _____

- A. one geographical location where people meet to buy and sell
- B. the demand and supply of goods and services
- C. a group of people whose sole interest is to make profit
- D. any organisational framework which links the buyers and sellers of a good or service

12. A shift in the demand curve for a commodity when the supply curve is vertical will lead to a change in the _____

- A. price only
- B. quantity only
- C. quality only
- D. price and quantity

13. Given an original price of ₦3.50 per kilogram of rice and a change in price of ₦1.40, and given the quantity purchased at the old price as 10kg and a change in supply as 5kg after the price change, the elasticity is _____

- A. 10.20
- B. 3.57
- C. 1.25
- D. 0.80

14. What form of market is found in an imperfect competition where there are few buyers and many sellers?

- A. Oligopoly
- B. Monopoly
- C. Duopoly
- D. Oligopsony

15. The main reason for charging interest is to _____

- A. reward entrepreneurial effort
- B. redistribute profits
- C. reward investors for present use of capital
- D. mobilise more funds for development

16. In the Keynesian model, _____

A. the demand for money is inversely related to the rate of interest

B. investment is directly related to the rate of interest

C. investment is not related to the rate of interest

D. the demand for money is directly related to the rate of interest

17. If inflation is anticipated to continue, _____

A. people will lose confidence in goods

B. Lenders will demand higher interest rates

C. the growth of full employment output will be accelerated

D. people will want to hold more money

18. A budget with a projected revenue in excess of its expenditure is said to be _____

A. balance

B. surplus

C. deficit

D. inflationary

19. Ad valorem tax means _____

A. a certain percentage tax based on the value of the commodity

B. a certain percentage tax based on the volume of the commodity

C. a tax on the income of the consumer

D. payment of a tax on the profits made

20. Which of the following applies to a commodity sold abroad at a price lower than that in the producing country?

A. Dumping

B. Countertrade

C. Bilateral trade

D. Trade liberalisation

21. Economic development is defined as _____

A. positive change plus growth

- B. availability of more goods and services
- C. outward shift of the production possibility curve
- D. growth in the national income

22. Price leadership is _____

- A. a form of tacit collusion
- B. used to explain price rigidity
- C. illegal in Nigeria
- D. a form of overt collusion

23. Restriction on credit creation by commercial banks can be effective through _____

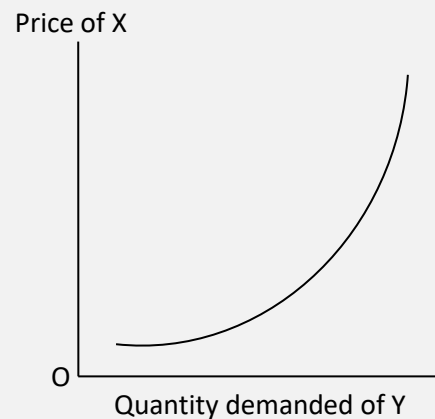
- A. an overdraft
- B. loans and advances
- C. demand deposits
- D. liquidity ratio

24. When a nation is experiencing a balance of payment surplus, it is in a better position to _____

- A. increase its foreign exchange reserves

- B. increase its liabilities to foreigners
- C. reduce its foreign exchange reserves
- D. devalue its national currency.

25.



If the curve above shows the relationship between the price of commodity X and the quantity demanded of commodity Y, then X and Y are _____

- A. complementary goods
- B. substitutes
- C. inferior goods
- D. luxury goods

26. A perfect example of a public good is _____

- A. air
- B. education
- C. defence
- D. transport

27.

ITEM	AMOUNT (Million naira)
Visible exports	55.54
Visible imports	53.32
Invisible exports	30.56
Invisible imports	28.70
BALANCE	4.08

The amount, N4.08 million, shown as balance in the table represents

- A. terms of payments
- B. balance on current accounts
- C. balance of trade
- D. terms of trade

28. By using exchange controls, a country tries to eliminate a balance of payments deficit by

- A. limiting her imports to its currency value of exports
- B. reducing the nation's domestic price level
- C. limiting her exports to its currency value of imports
- D. overvaluing the country's currency

29. A sustained increase in the per capita income of a country over a period of time is called

- A. economic growth
- B. economic development
- C. structural change
- D. stagflation

30. Economies of scale operate only when _____

- A. marginal cost is falling with input
- B. average cost is falling with output
- C. fixed cost is variable
- D. variable cost is less than fixed cost

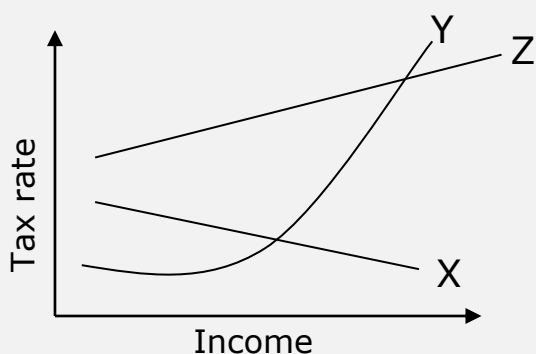
31. If the same same basket of goods which cost ₦12.00 in 1985 cost ₦15.00 in 1987, the price index for 1987 is _____

- A. 25
- B. 80
- C. 10
- D. 125

32. Which of the following is likely to be inflationary?

- A. Tax increase
- B. Increase in unemployment
- C. Budget surplus
- D. Wages increase

Use the figure below to answer questions 33 and 34.



33. The relationship between tax rate and income which is relevant

to a progressive tax is shown by _____

- A. curve X
- B. curve Y
- C. curve Z
- D. curves X and Z

34. The relationship between tax rate and income which is relevant to a proportional tax is depicted by _____

- A. curves Z and Y
- B. curve X
- C. curve Z
- D. curve Y

35. Firms are often set up close to each other in order to take advantage of _____

- A. supply of skilled labour
- B. agglomeration economies
- C. internal economies of scale
- D. external economies of scale

36. The necessity of choice is due to the fact that _____

- A. human wants are insatiable
- B. consumers like to maximise satisfaction
- C. resources are abundant
- D. consumers are selective

37. A company's expenditure on raw materials is regarded as _____

- A. explicit cost
- B. implicit cost
- C. prime cost
- D. average cost

38. Labour productivity is the ratio of _____

- A. labour output
- B. man-hours to output
- C. output to man-hours
- D. average product to man-hours

39. An issue of bank-notes not backed by gold but by government securities is known as _____

- A. fiduciary issue

- B. guaranteed money
- C. seigniorage
- D. legal tender

40. The Economic Commission for Africa was set up by the _____

- A. UNO
- B. ECOWAS
- C. OAU
- D. IMF

CHECK YOUR ANSWERS

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JAMB ECONOMICS PAST QUESTIONS (PT.10)

1. Scarcity in Economics means that _____

- A. human wants are limitless.
- B. the economy has very few resources.
- C. the economy can scarcely produce anything.
- D. resources are limited in relation to wants.

2. Economics is often described as a science because _____

- A. laboratory experiments are performed.
- B. it makes use of controlled experiments.
- C. it uses scientific methods to explain observed phenomena and predict future events.
- D. it makes use of field work.

3. Which of the following is a good example of invisible item on balance of payments account?

- A. Shipping and aviation.

- B. Export and imports.
- C. Merchandise.
- D. Bullion.

4. A major factor affecting the value of money is the _____

- A. price level.
- B. banking habits.
- C. transaction motive.
- D. divisible nature of money.

5. The Nigerian Bank for Commerce and Industry is _____

- A. a commercial bank.
- B. a development bank.
- C. an industrial bank.
- D. a merchant bank.

6 To control inflation, the monetary authorities of a country can _____

- A. reduce taxes.
- B. advise government to increase its expenditure.

C. engage in expansive monetary policy.

D. engage in restrictive monetary policy.

7. Which of the following is used by the Central Bank to control the rate of interest?

A. Bill of exchange.

B. Banker's order.

C. Fixed deposit account.

D. Open market operation.

8. What form of market is found in an imperfect competition where there are few buyers and many sellers?

A. Oligopoly

B. Monopoly.

C. Duopoly.

D. Oligopoly.

9. A budget with a projected revenue in excess of its expenditure is said to be _____

A. balanced.

B. surplus.

C. deficit.

D. inflationary.

10. In order to raise more revenue for a certain period, government should impose higher taxes on goods whose demand is _____

A. elastic.

B. inelastic.

C. perfectly elastic.

D. unitary elastic

11. If aggregate income is ₦500.00 and aggregate consumption is ₦400.00, this means that the average propensity to consume is _____

A. 0.20

B. 0.80

C. 1.25

D. 2.00

12. The group of unemployed members of a community, who are physically handicapped or

disabled, is generally classified under unemployment as _____

- A. frictional.
- B. cyclical.
- B. residual.
- D. hidden.

13. Collectivism refers to the system of management of state enterprises in a _____

- A. mixed economy.
- B. co-operative organisation.
- C. capitalist economic system.
- D. socialist economy.

14. Efficiency in production involves _____

- A. reducing the size of the work force
- B. producing a given output with the lowest cost combination of factors of production.
- C. adoption of capital intensive technology.
- D. increasing the quantity of the fixed factors of production.

15. In economic life, choice among alternatives depends on the _____

- A income of the decision maker.
- B. scarcity of resources.
- C. scale of preference of the decision maker.
- D. status of the decision maker.

16. The law of diminishing marginal utility indicates that if a consumer increases his consumption of a commodity continuously, his _____

- A. total utility must fall.
- B. marginal utility must fall.
- C. marginal utility may rise even though his total utility is falling.
- D. marginal utility may fall even though his total utility may be rising.

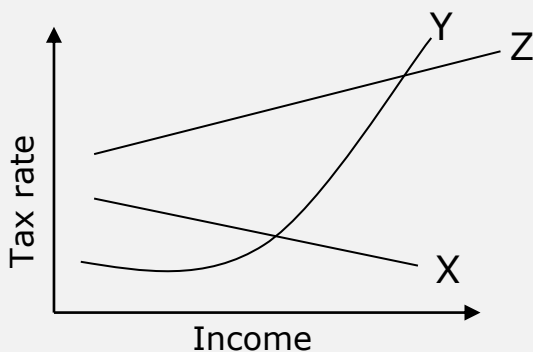
17. Which of the following rewards is associated with entrepreneurship as a factor of production?

- A. Salaries
- B. Profits
- C. Interests
- D. Rent

18. Which of the following is likely to be inflationary?

- A. Tax increase
- B. Increase in unemployment
- C. Budget surplus
- D. Wages increase

Use the diagram below to answer questions 19 and 20.



19. The relationship between tax rate and income which is relevant to a progressive tax is shown by _____

- A. curve X.
- B. curve Y.

- C. curve Z.
- D. curves X and Z.

20. The relationship between tax rate and income which is relevant to a proportional tax is depicted by _____

- A. curves Z and Y.
- B. curve X.
- C. curve Z.
- D. curve Y.

21. Fiduciary issue is that part of _____

- A. the issue of notes backed entirely by gold.
- B. a country's currency which is not negotiable.
- C. the issue of notes not backed by gold.
- D. a country's currency officially issued.

22. The type of business finance that entitles the holder to a fixed rate of dividend is _____

- A. preference stock.
- B. common stock.
- C. debenture.
- D. bank loan.

23. Firms are often set up close to each other in order to take advantage of _____

- A. supply of skilled labour.
- B. agglomeration economies.
- C. internal economies of scale.
- D. external economies of scale.

24. A company's expenditure on raw materials is regarded as _____

- A. explicit cost.
- B. implicit cost
- C. prime cost.
- D. average cost.

25. A situation in which a commodity is sold abroad below its cost of production in the home country is known as _____

- A. dumping.

- B. counter trade.
- C. bilateral trade.
- D. trade liberalisation.

26. The problems of conducting census include _____

- A. high rate of rural-urban migration.
- B. poor geographical distribution
- C. high birth rate in the country.
- D. poor town planning in urban areas.

27. The factor of production that has the highest degree of mobility is _____

- A. land.
- B. labour.
- C. capital.
- D. entrepreneurship.

28. In recent times, agriculture in Nigeria tends to lose its vital labour force as a result of _____

- A, lack of an effective agricultural policy.

B. employment opportunities in the oil sector.

C. rural-urban drift.

D. low prices of agricultural products.

29. The most important goal of OPEC is to _____

A. present a united front for the purpose of raising prices of crude oil.

B. bring unity among the petroleum exporting countries.

C. ensure political stability among member states.

D. ensure that rules on quota production are strictly followed.

30. When a country's population is experiencing increasing returns, that country is said to be _____

A. overpopulated.

B. economically poor.

C. over-producing goods and services.

D. under-populated.

31. Plywood industries are often located near the source of _____

A. finance.

B. labour.

C. power supply.

D. raw material.

32. The most important attribute of money is _____

A. homogeneity.

B. relative scarcity.

C. divisibility.

D. general acceptability.

33. The use of legally permissible means to reduce tax liabilities is known as tax _____

A. evasion.

B. avoidance.

C. relief.

D. exemption.

34. The Economic Commission for Africa was set up by the _____

A. UNO.

B. ECOWAS.

C. OAU.

D. IMF.

35. One of the techniques of monetary control used by the Central Bank of Nigeria is _____

A. selective credit control.

B. budget deficit.

C. foreign exchange control.

D. monitoring the general price level.

36. Crude petroleum is a good example of a _____

A. lasting asset.

B. wasting asset.

C. synthetic product.

D. costless resource.

37. A major effect of a long distribution chain is _____

A. scarcity of commodities.

B. high retail prices.

C. low retail prices.

D. low producer earnings.

38. One of the major criticisms of the 1962-1968 National Development Plan was that _____

A. it failed to incorporate lessons gained from earlier plans to enhance its efficiency.

B. it came too quick after the country's independence.

C. planned expenditure was based too heavily on expected earnings from crude oil.

D. its execution was based largely on foreign-sourced financial resources.

39. Utility is the satisfaction derived from _____

A. production.

B. distribution.

C. consumption.

D. demand.

40. Economic growth is different from economic development because economic growth _____

- A. describes expansion and change.
- B. is measurable but not objective.
- C. describes expansion and not change.
- D. is not measurable objective.

~~DISCLAIMER~~

These are **not** JAMB expo questions for this year, but past questions of previous years.

You are advised to study these past questions and know their **correct answers** as well as how the answer to each question was gotten to be well-prepared for your JAMB exam.

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