

# ECONOMICS

FOR

Senior Secondary School

# 1



**Practice Questions and Answers**

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# QUESTIONS

## TOPIC: AGRICULTURE IN WEST AFRICA

**DIRECTION:** Choose the correct answer from the lettered options.

1. The following are advantages of large scale agriculture EXCEPT \_\_\_\_\_.
  - A. use of simple implements
  - B. use of sophisticated implements
  - C. increase in employment
  - D. integration of crop and animal farming
  
2. Which of the following is a part of crop production?
  - A. Tending
  - B. Transplanting
  - C. Monocropping
  - D. Mixed cropping
  
3. Which of the following statements is true of subsistence agriculture?
  - A. It involves the use of modern implements.
  - B. It involves the growth of crops for family consumption.
  - C. It involves the growth of crops chiefly for export.
  - D. It requires large storage facilities.
  
4. Which of the following is NOT a form of farm unit that was set up in West Africa for higher productivity and increased output?
  - A. Settlement schemes
  - B. Investment scheme
  - C. Improvement scheme
  - D. Development scheme

5. Agriculture is central to Nigeria's economic development because \_\_\_\_.

- A. Nigeria's comparative advantage lies mainly in agro-allied industries
- B. it is the largest employer of labour
- C. it is an insignificant part of the gross domestic product
- D. it is the main foreign exchange earner

6. Tree crops include the following EXCEPT \_\_\_\_.

- A. kolanut
- B. coconut
- C. cocoyam
- D. oil palm

7. \_\_\_\_ is a system of agriculture.

- A. Crop production
- B. Forestry
- C. Mechanised farming
- D. Fishing
- E. Livestock

8. Which of the following is NOT a classification of crops?

- A. Leaves
- B. Roots
- C. Trees
- D. Grains

9. Which of the following is NOT an agricultural product?

- A. Alum
- B. Cotton

C. Jute

D. Rice

10. Which of the following industries does NOT need the produce from the forest?

A. Paper industry

B. Shoe making industry

C. Medical industry

D. Aluminum industry

11. Which of the following is NOT a feature of subsistence agriculture?

A. Use of crude implements

B. Processing of raw materials

C. Little capital

D. Absence of paid capital

12. Agricultural productivity is measured as \_\_\_\_\_.

A. a ration of agricultural produce consumed in a production

B. the ratio of agricultural products to non-agricultural products

C. a ration of agricultural outputs to agricultural inputs

D. the ratio of agricultural outputs to agricultural inputs

13. Which of these is NOT a characteristic of plantation agriculture?

A. It involves the use of harvesters.

B. It involves a huge investment of capital.

C. It involves the practice of shifting cultivation.

D. It involves the use of large tracts of land.

14. Which of the following is NOT an agricultural policy in West Africa?

A. Supervisory policy

- B. Investment policy
- C. Compensatory policy
- D. Development policy

15. Crop production involves the following EXCEPT \_\_\_\_\_.

- A. growing
- B. tending
- C. transplanting
- D. planting

16. Commercial agriculture enhances the revenue prospects of the government through the receipts from the following EXCEPT \_\_\_\_\_.

- A. excise duties
- B. export duties
- C. import duties
- D. company income taxes

**TOPIC: BASIC ECONOMIC PROBLEMS OF SOCIETY**

**DIRECTION: Choose the correct answer from the lettered options.**

1. In a capitalist economy, the decision regarding what to produce is left in the hands of \_\_\_\_.

- A. private individuals
- B. government and private individuals
- C. government
- D. central planning agency

2. Efficiency is measured by \_\_\_\_.

- A. input of resources/output of goods or service
- B. input of goods or services/output of resources
- C. quantity of capital/input of resources
- D. output of goods or services/input of resources
- E. None of the above

3. The two main modes of production in every economy are \_\_\_\_ and \_\_\_\_ modes.

- A. consumer and producer
- B. labour intensive and capital intensive
- C. primary and secondary
- D. short-term and long-term

4. Which of the following is NOT a disadvantage of capitalism?

- A. Unregulated competition can create monopoly by one producer eliminating others.
- B. Wastage of resources can occur as a result of speculative overproduction of goods and services.
- C. Exploitation of workers can result in excessive profiteering.



D. Competition ensures that the quality of goods and services is continuously improved upon.

5. Which of the following is NOT a feature of socialism?

- A. Mutual coexistence of public and private sector.
- B. Competitive production is officially absent.
- C. Private firms and individuals are officially barred from certain economic activities.
- D. The government owns and controls all the major means of production.
- E. Production is not based on profit motive.

6. In a planned economy \_\_\_\_\_.

- A. resources are allocated by market forces
- B. the government determines what is produced
- C. the price mechanism acts as a signal and incentive
- D. there is private sector dominance

7. How are funds allocated efficiently in a market economy?

- A. The economic unit that considers itself most in need of funds receives funds first followed by those who are less in need.
- B. Receipt of funds is rotated over time so that each economic unit can receive them in turn.
- C. The largest economic units receive the funds first followed by smaller firms if sufficient funds are available.
- D. The economic unit that is willing to pay the highest expected return for a given risk level receives the funds.
- E. Big economic units get the funds first followed by medium economic units and finally small economic units

8. In which economic system is the free play of market forces not allowed?

- A. Mixed economy
- B. Socialism

- C. Capitalism
- D. None of the above

9. Which of the following is NOT a basic feature of capitalism?

- A. Profit maximization.
- B. Price fixing.
- C. Competition.
- D. Government ownership.

10. Which of the following is correct of a capitalist system?

- A. The purchases of citizens are restricted by the government.
- B. Only the government owns and controls the means of production.
- C. Private individuals are allowed to own and control the means of production.
- D. Production of goods and services is strictly on the calculation of social welfare.

11. Another name for the socialist system is \_\_\_\_\_.

- A. mixed system
- B. capitalist system
- C. command system
- D. free hand economy

12. Which of the following is NOT an advantage of capitalism?

- A. Competition among private individuals promotes the production of quality goods and services.
- B. There is self regulation of the economy through the forces of demand and supply.
- C. Workers are being exploited because of competition among private individuals.
- D. The profit motive of private individuals gives rise to continuous growth in the efficient utilization of resources.
- E. The rate and pace of economic development is accelerated through competition.

13. In a free market, how are resources allocated?

- A. Through revenue allocation
- B. Through elasticities
- C. Through cost
- D. Through the forces of demand and Supply

14. The government intervenes in the production of \_\_\_\_ goods in a mixed economy.

- A. luxury
- B. giffen
- C. essential
- D. complementary

15. Which of the following is NOT a basic economic problem of the society?

- A. What to produce.
- B. How to produce.
- C. Cost to produce.
- D. For whom to produce.
- E. Efficient use of resources.

16. The basic economic problems arise in the society due to \_\_\_\_.

- A. limited resources
- B. limited want
- C. unlimited resources
- D. numerous resources

17. In a mixed economy, the decision on what to produce is in the hands of \_\_\_\_.

- A. a central planning agency

- B. the government and private individuals
- C. the government
- D. private individuals

18. In a socialist economic system, resource allocation is managed primarily by \_\_\_\_\_.

- A. large corporations
- B. workers committees
- C. the market
- D. central planning

19. If cigarettes serve as a medium of exchange, a unit of account, and a store of wealth, cigarettes are said to function as \_\_\_\_\_.

- A. bank deposits
- B. reserves
- C. money
- D. loanable funds
- E. liabilities

20. Under capitalism, individuals are forced to make choices due to \_\_\_\_\_.

- A. scarce time but not scarce spending power
- B. scarce spending power, but not scarce time
- C. neither scarce time nor scarce spending power
- D. scarce time and scarce spending power

21. The following are basic economic problems of any society EXCEPT \_\_\_\_\_.

- A. where to produce
- B. for whom to produce
- C. how to produce
- D. what to produce

22. Which of the following is true of a socialist economy?

- A. Wealth is evenly distributed.
- B. Purchases made by citizens are monitored by the government.
- C. Non-governmental agencies are responsible for the exchange of exports with other countries.
- D. Private individuals are allowed to own and control the means of production.

23. A mixed economy is comprised of a \_\_\_\_\_.

- A. public sector only
- B. private sector only
- C. middle sector
- D. private and public sector

24. The decision on what to produce is a problem in \_\_\_\_\_.

- A. all economic systems
- B. a mixed economic system only
- C. democratic socialist economy only
- D. a free enterprise system only
- E. a planned economic system only

25. In a socialist economy, the decision on what to produce is left in the hands of \_\_\_\_\_.

- A. government
- B. private individuals
- C. central planning agency
- D. government and private individuals

26. The basic factor in the classification of economic systems is the \_\_\_\_\_.

- A. ownership and control of the means of production

- B. nature of the resources available in a country
- C. level of illiteracy of the people in the economy
- E. none of the above

27. Which of the following constitutes the basic economic problems of the society?

- A. How to harvest, how to produce and how to distribute.
- B. For whom to produce, when to produce and where to produce.
- C. What to produce, how to produce and for whom to produce.
- D. How to produce, how to store and whom to distribute

## TOPIC: BASIC TOOLS OF ECONOMIC ANALYSIS

**DIRECTION:** Choose the correct answer from the lettered options.

Use the table below to answer the question.

1. The median score in the distribution is

Scores (x)	0	3	6	7	8	9	10
Frequency (f)	2	7	12	6	7	3	1

- A. 2
- B. 3
- C. 5
- D. 6

2. A table is a \_\_\_\_\_.

- A. graphical representation of a frequency distribution
- B. pictorial representation of a functional relationship
- C. set of orderly arranged quantitative data presented in rows and columns
- D. sphere divided into portions in proportion to the percentage of each item

3. To find the percentage change in a number, divide the absolute change by the original number and multiply by 100.

- A. True
- B. False

The formular below is used to determine \_\_\_\_\_

$$\sqrt{\frac{\sum (x - \bar{x})^2}{n}}$$

4.

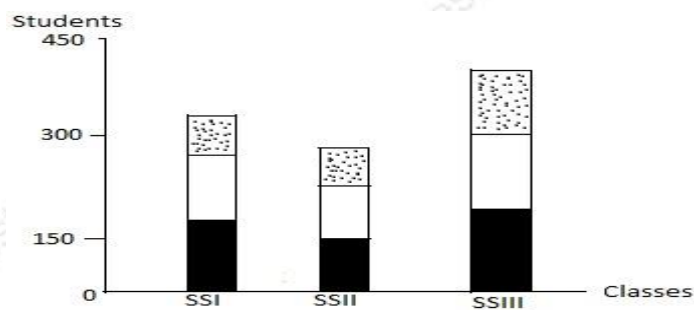
- A. mean deviation
- B. mean
- C. mode

D. standard deviation

5. Which of the following economic tools will best illustrate the relationship between price and quantity demanded of a commodity?

- A. Mean
- B. Range
- C. Graph
- D. Pie-chart

6. The diagram is an example of a \_\_\_\_\_.



- A. departmental bar chart
- B. component bar chart
- C. multiple bar chart
- D. box bar chart

7. Which of the following is NOT a form of chart used in carrying out economic analysis?

- A. Time chart.
- B. Block diagram.
- C. Frequency polygon.
- D. Organogram.

8. If the diagram of a line shows that lower values on the vertical scale are associated with higher values on the horizontal scale, this is an example of \_\_\_\_\_.

- A. a nonlinear relationship
- B. a positive linear relationship



- C. a scatter diagram
- D. a negative linear relationship

9. The orderly arrangement of information, data or facts in rows and columns is referred to as \_\_\_\_\_

- A. chart
- B. graph
- C. histogram
- D. table

10. Find the mode of the following distribution of scores by 10 students at the end of an examination: 80, 75, 42, 55, 30, 56, 30, 78, 64 and 35.

- A. 56
- B. 80
- C. 30
- D. 55

11. What is the mean of the following set of scores: 85, 65, 45, 78, 92, 64, 56, 66, 48, 59, 28, 34 and 19 to the nearest whole number?

- A. 56
- B. 57
- C. 58
- D. 59

12. Which of the following is NOT correct about measures of central tendency?

- A. They are tools for calculating deviations.
- B. They represent a single value that can easily be described as typical of a certain set of data.
- C. They tell us numbers around which the item in a particular group appears to cluster.
- D. They can be regarded as averages.

13. A straight line diagram can be drawn knowing the \_\_\_\_ and \_\_\_\_.

- A. vertical axis and horizontal axis
- B. intercept and slope
- C. scale and slope
- D. intercept and scale

14. The journey from Port Harcourt to Umuahia will take about 1 hour 20 minutes, but the following times were recorded on different journeys:

1 hr 10 mins - 1st time

1 hr 15 mins - 2nd time

1 hr 20 mins - 3rd time

1 hr 5 mins - 4th time

1 hr 30 mins - 5th time

Calculate the mean time.

- A. 1 hr 16 mins
- B. 1 hr 30 mins 20 secs
- C. 1 hr 25 mins 58 secs
- D. 1 hr 18 mins

15. If your income during one year is N10,000 and the following year, it is N12,000, then it has grown by \_\_\_\_\_.

- A. 20%
- B. 2%
- C. 12%
- D. 16%

16. Determine the mean and mode of the distribution below

5, 7, 4, 5, 8, 9, 4, 5, 6, 9, 7, 8.

- A. 6.4 and 5
- B. 3.6 and 4

C. 12.8 and 8

D. 5 and 6,4

17. A population which has two modes is called \_\_\_\_.

A. double modal

B. betamodal

C. bimodal

D. dual modal

18. A graph is a form of \_\_\_\_.

A. triangular representation of the functional relationship between two variables in the form of diagrams

B. circular representation of the functional relationship between two variables in the form of diagrams

C. three-dimensional representation of the functional relationship between two variables in the form of diagrams

D. pictorial representation of the functional relationship between two variables in the form of diagrams

19. A functional relationship exist between two things when \_\_\_\_.

A. one thing is dependent on the other

B. the functions between them are related

C. the quantity of a commodity is constant

D. the two quantities are fixed

E. both of them are independent of each other

20. The mode is the item with the highest \_\_\_\_.

A. digit

B. frequency

C. value

D. fraction

Use the table below to answer the question.

21. The modal score in the distribution is

Scores (x)	0	3	6	7	8	9	10
Frequency (f)	2	7	12	6	7	3	1

- A. 0
- B. 3
- C. 6
- D. 12

22. Data are important in economics because \_\_\_\_ and \_\_\_\_.

- A. they suggest relationships for explanation, allow testing of hypothesis
- B. they can be used for tables, they can be graphed
- C. they can be used in computer, government use them
- D. they provide interesting information, can be summarised

23. The sum of items divided by the number of items is the \_\_\_\_.

- A. frequency
- B. mean
- C. median
- D. mode

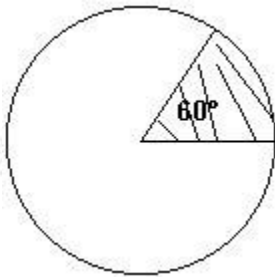
24. Find the median of the following set of scores: 8, 9, 6, 5, 10

- A. 9
- B. 8
- C. 6
- D. 5

25. Measures of central tendency are basically \_\_\_\_.

- A. deviations
- B. standard errors
- C. averages
- D. totals

26. The pie-chart below represents the total population of a school of 1,200. The shaded area of 60° shows the population of the underaged pupils. What is the population of the mature students?



- A. 600
- B. 800
- C. 1,000
- D. 1,200

27. Which of the following is correct of a bar chart?

- A. The chart consists of lines.
- B. The bars are of equal width.
- C. The spaces between the bars are unequal.
- D. The lengths of the bars are not proportional.
- E. The bars are always long.

## TOPIC: BUSINESS ORGANISATIONS

**DIRECTION: Choose the correct answer from the lettered options.**

1. Which type of business organization has the attribute of effectively combining ownership with management?

- A. Sole proprietorship.
- B. Partnership.
- C. Limited liability company.
- D. Public enterprise.

2. Limited liability implies that \_\_\_\_\_.

- A. the owners of the company are very rich
- B. the obligations of the owners are very few
- C. the owners are protected against the sale of their personal assets for the settlement of the business debt of the company
- D. their liability is limited to the value of the shares sold to them
- E. all of the above

3. Which of the following is an advantage of sole proprietorship?

- A. Greater specialisation in managerial functions.
- B. Flexibility in admission of new members.
- C. Involvement of shareholders in decision-making.
- D. Opportunity to take quick decisions.

4. Private business organizations can take any of the following forms, except \_\_\_\_\_.

- A. sole proprietorship
- B. municipal enterprise

- C. partnership
- D. private company

5. Which of the following statements is correct?

- A. The sole proprietor has limited liability.
- B. A sole proprietor can easily dispose of his ownership position compared to a shareholder in a corporation.
- C. A sole proprietorship can be formed more quickly than a corporation.
- D. The owner of a sole proprietorship faces double taxation unlike the partners in a partnership.
- E. A sole proprietorship requires a minimum of seven persons to start up.

6. An advantage of sole proprietorship over partnership form of business organisation is that \_\_\_\_\_.

- A. its existence is limited by an individual's life span
- B. it relies on the decision of friends to succeed
- C. the possibility of conflict in management is virtually non-existent
- D. it enjoys limited liability for debt in the event of failure

7. Which of the following documents is required to set up a limited liability company?

- A. Articles of association
- B. Articles of ostentation
- C. Bill of lading
- D. Certificate of occupancy

8. Which of the following is NOT a large retail outlet?

- A. Departmental stores
- B. kiosk
- C. Multiple-shops

D. Peddler mail order business

9. Liquidation of a limited liability company implies that the \_\_\_\_\_.

- A. company may not pay its debts
- B. debts of the company can only be paid from its own assets
- C. debts of the company are paid from both business and private funds of the owners
- D. debts of the company must be paid from public funds only

10. Partnership business is usually governed by a written agreement called \_\_\_\_\_.

- A. a partnership code
- B. an undertaking for partnership
- C. a deed of partnership
- D. a partnership treaty

11. Which of the following is NOT a source of finance to a joint stock company?

- A. Bank loan
- B. Co-operative thrift
- C. Debentures
- D. Equity shares

12. Which of the following is NOT a source of funding for private limited liability companies?

- A. Debit
- B. Loan
- C. Ploughed back profits
- D. Debenture

13. A major constraint to the expansion of small businesses in Nigeria is \_\_\_\_\_.



- A. inability to provide after-sales services
- B. inadequate capital
- C. limited market
- D. low level of technology

14. Statutory organizations usually established by acts of parliament are called \_\_\_\_\_.

- A. public corporations
- B. cooperative societies
- C. joint stock companies
- D. public enterprises

15. One factor that distinguishes business organisations from other organisations is \_\_\_\_\_.

- A. the structure of the organisation
- B. profit motive
- C. the number of employees
- D. location of offices

16. The public sector of an economy includes \_\_\_\_\_.

- A. cooperative societies
- B. nationalised industries
- C. joint stock companies
- D. pressure groups

17. What is potentially the biggest advantage of a small partnership over a sole proprietorship?

- A. Unlimited liability.
- B. Single tax filing.
- C. Difficult ownership resale.
- D. Raising capital.

18. One advantage of the sole proprietorship over other forms of business organisations is that it can \_\_\_\_\_.

- A. make very high profit
- B. employ many workers
- C. keep its affairs private
- D. produce on a very large scale

19. A firm is said to be a public joint stock company when it \_\_\_\_\_.

- A. is owned by the government
- B. sells its shares to members of the public
- C. operates as a government corporation
- D. is not legally recognised as a firm

20. The most important advantage of cooperative societies is \_\_\_\_\_.

- A. the high degree of democracy
- B. the increase in the cost of marketing
- C. the encouragement of members to save money
- D. the possibility of raising loans for members
- E. the ability of members to attend functions together

21. Which of the following applies to sole proprietorship?

- A. Greater specialisation in management functions.
- B. Flexibility in admission of new members.
- C. Quick and easy decision making.
- D. Involvement of shareholders in making decisions.

22. Which of the following would generally have unlimited liability?

- A. A limited partner in a partnership.

- B. A shareholder in a corporation.
- C. The owner of a sole proprietorship.
- D. A member of a limited liability company.

23. The type of co-operative society which buys goods in bulk and sells to its members is called \_\_\_\_\_.

- A. consumer co-operative
- B. producer co-operative
- C. credit and thrift co-operative
- D. profit and loss co-operative
- E. manufacturer co-operative

24. The cooperative as a form of business organisation differs from partnership by having \_\_\_\_\_.

- A. several sources of capital for business financing
- B. the ability to issue preference stock to members
- C. entrenched democratic control in the conduct of business
- D. established rules and regulations governing the activities of its members
- E. none of the above

25. A common source of finance to both sole proprietorships and partnerships is \_\_\_\_\_.

- A. issuance of shares
- B. personal savings
- C. government subvention
- D. capital gains tax

26. The following are sources of fund to a joint stock company EXCEPT \_\_\_\_\_.

- A. bank loan
- B. co-operative thrift

- C. debentures
- D. equity shares

27. Which of the following is NOT a characteristic of public limited liability companies?

- A. Limited liability.
- B. Members of the public can buy shares.
- C. It is not a legal entity.
- D. Ability to transfer ownership interest without prior consent of the other owners.
- E. None of the above.

28. Who controls a limited company?

- A. The General Manager.
- B. The Managing Director.
- C. The owner of 51% of the shares.
- D. The board of directors.

29. A sole proprietorship raises his/her capital mostly through \_\_\_\_\_.

- A. debentures
- B. dividends
- C. personal savings
- D. preference shares

30. One thing that distinguishes business organisations from other organisations is \_\_\_\_\_.

- A. the structure of the building
- B. the profit motive
- C. the number of members
- D. work hours

31. All the following are sources of finance to a joint stock company EXCEPT \_\_\_\_\_

- A. debentures
- B. cooperative loans
- C. shares
- D. bank loans

32. In the event of a limited liability company going into liquidation, each \_\_\_\_\_.

- A. shareholder may lose the maximum of the amount he has invested
- B. shareholder loses nothing
- C. shareholder loses everything including his house
- D. shareholder's liability becomes unlimited
- E. shareholder will lose the amount he has invested plus a proportion of his bank account

33. Which of the following is NOT a source of long term financing of a business?

- A. Commercial bank loans.
- B. Debentures.
- C. Shares.
- D. Retained profit.
- E. All of the above.

34. Which of the following is NOT a type of business ownership?

- A. Debenture holding.
- B. Private company.
- C. Partnership.
- D. Joint stock holding.
- E. Sole proprietorship.

## TOPIC: ECONOMICS: MEANING AND BASIC CONCEPTS

**DIRECTION:** Choose the correct answer from the lettered options.

1. Who among the following people defined Economics in the most generally acceptable form?

- A. Alfred Marshal
- B. A.C. Pigon
- C. Lionnel Robbins
- D. J.S. Mill

2. The opportunity cost of a good is \_\_\_\_\_.

- A. the time lost in finding it
- B. the quantity of other goods sacrificed to get more unit of that good
- C. The expenditure on the good
- D. the loss of interest in using savings

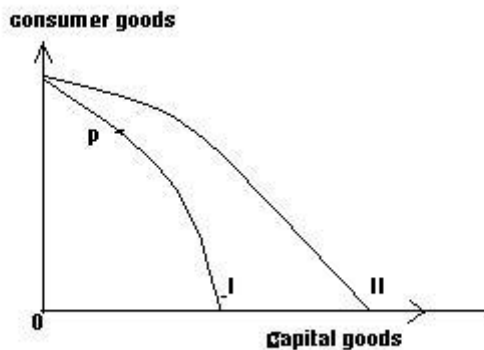
3. The economist's concept of cost is called the \_\_\_\_\_.

- A. opportunity cost
- B. total cost
- C. market price
- D. cost outlay
- E. marginal cost

4. Human wants are \_\_\_\_\_

- A. always fixed
- B. limited
- C. unlimited
- D. likely to decrease over time

5. The current stage of the economy is depicted in curve 1. Point P suggests that the economy is \_\_\_\_.



- A. attaining full employment
  - B. attaining full production, but not full employment
  - C. under-capitalised
  - D. attaining full employment and full production
6. 'Human wants are insatiable'. This means \_\_\_\_.
- A. human wants can be fully satisfied
  - B. the means of satisfying human wants are limited
  - C. human wants are not capable of being fully satisfied
  - D. human wants are the same for everybody
7. Opportunity cost is also known as \_\_\_\_.
- A. accountant's cost
  - B. money cost
  - C. production cost
  - D. real cost
8. The basic economic problems will NOT be solved by \_\_\_\_.
- A. market forces

- B. government intervention
- C. a mixture of government intervention and the free market
- D. the creation of unlimited resources

9. 'Economics is a social science which studies human behaviour as a relationship between ends and scarce means which have alternative uses'. The word 'ends' as used here refers to \_\_\_\_\_.

- A. inputs
- B. wants
- C. resources
- D. outputs

10. Choice can be defined as \_\_\_\_\_.

- A. selecting from a number of given alternatives
- B. arranging our wants in order of importance
- C. a list of human desires
- D. a measure of the foregone alternative

11. The value of the next alternative foregone by making another decision is known as \_\_\_\_\_.

- A. stop loss
- B. opportunity cost
- C. utility
- D. comparative advantage

12. Teaching and banking can be classified as \_\_\_\_\_ production.

- A. commercial
- B. primary
- C. secondary
- D. tertiary



13. The most important reason in the study of Economics is \_\_\_\_\_.

- A. to know the quantity of available resources
- B. to see how best the available resources can be utilised in satisfying our various wants
- C. to know the demand for various commodities
- D. to know the correct prices for different goods produced
- E. to eliminate wastage

14. Which of the following is NOT one of the basic economic questions?

- A. What to produce
- B. Whom to produce
- C. How to produce
- D. How to maximise profit

15. \_\_\_\_\_ defined Economics as a practical science of production and distribution.

- A. H.J. Davenport
- B. Adam Smith
- C. J.S. Mill
- D. Alfred Marshal
- E. Lionnel Robbins

16. The following are examples of economic goods EXCEPT \_\_\_\_\_.

- A. bottled water
- B. air
- C. household utensils
- D. shelter

17. "Means" in Economics refers to \_\_\_\_\_.

- A. choice

- B. factors
- C. output
- D. resources

18. \_\_\_\_\_ is the root of all economic problems.

- A. Choice
- B. Demand
- C. Scarcity
- D. Price

19. Opportunity cost is the \_\_\_\_\_.

- A. alternative that is forgone in order to satisfy another want
- B. cost of the resources required for making a commodity
- C. sum of all direct and indirect costs
- D. accrual of financial assets

20. In a command economy: \_\_\_\_\_.

- A. the price mechanism acts as an incentive
- B. resources are allocated by market forces
- C. individual firms make decisions for themselves
- D. the public sector is large

21. The sacrifice involved when you choose a particular course of action is called the \_\_\_\_\_.

- A. alternative
- B. opportunity cost
- C. consumer cost
- D. producer cost

22. A student's scale of preference has a bag, a pair of shoes, a dress and a book; and all of the items cost ₦20 each. If he is able to buy a bag, his opportunity cost is \_\_\_\_\_.

- A. ₦20
- B. a book
- C. a pair of shoes
- D. the pair of shoes, dress and the book

23. Resources in any economy \_\_\_\_\_.

- A. are unlimited
- B. are fixed
- C. always increase
- D. are limited

24. The public sector includes \_\_\_\_\_.

- A. investors owning companies
- B. government ownership of assets
- C. market forces of demand and supply
- D. all profit making organisations

25. Opportunity cost is otherwise known as \_\_\_\_\_.

- A. money cost
- B. explicit cost
- C. marginal cost
- D. real cost
- E. variable cost

26. The basic economic problems of a society include \_\_\_\_\_.

- A. what to produce, how to produce, and for whom to produce
- B. what to produce, how to produce, and how to sell the produce
- C. scarcity, how to produce, and when to produce

D. scarcity, where to produce, and for whom to produce

27. The study of economics becomes inevitable because \_\_\_\_\_.

- A. human beings need to be economical in their spending
- B. resources are numerous
- C. resources need to be evenly distributed
- D. resources are limited

28. Economics is best described as the study of \_\_\_\_\_.

- A. the wealth of nations
- B. how man consumes his products
- C. how man provides for his everyday needs
- D. the distribution of wealth
- E. the advancement of technology

29. Which of the following statements is correct?

- A. Economics is a science.
- B. Economics attains the same degree of precision and accuracy as physics, chemistry etc
- C. There will still be opportunity cost even if human wants are few and the means for satisfying them unlimited.
- D. Human wants are of equal importance.
- E. All of the above.

30. A resource is scarce if supply exceeds demand at zero price.

- A. True
- B. False

31. The ranking of a consumer's needs in order of importance is termed \_\_\_\_\_.

- A. an opportunity cost

- B. economies of scale
- C. scale of preference
- D. direct production

32. Which of the following is NOT a basic fact about man's economic life, according to Lionnel Robbins' definition of Economics?

- A. The means of satisfying human wants are limited and do not have alternative uses.
- B. Human wants can be arranged in order of preference.
- C. The means of satisfying human wants are limited in relation to the demand for them.
- D. Human wants are usually many.

33. From an economic point of view, an activity does NOT have a cost when \_\_\_\_.

- A. someone else pays for it
- B. the returns are greater than the cost
- C. the choice involves giving up nothing
- D. the government pays for it
- E. none of the above

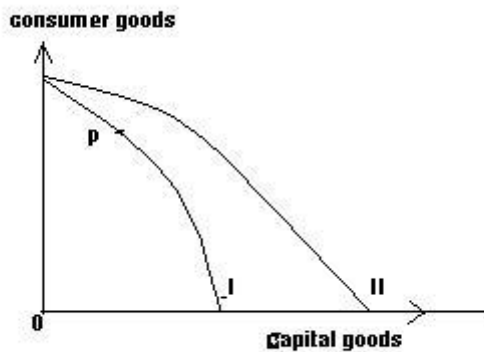
34. Human wants refer to people's \_\_\_\_.

- A. desire
- B. assets
- C. liabilities
- D. welfare

35. One of the following is NOT a characteristic of free goods?

- A. They are obtained in whatever quantity one so desires.
- B. They are not paid for.
- C. They are of no economic interest.
- D. They are scarce.

36. The movement to Curve II suggests \_\_\_\_\_.



- A. an improvement in both capital goods technology and consumer goods technology
- B. a movement from unemployment to full employment
- C. that the output for the society has declined
- D. a gain in consumer goods techniques, but not in capital goods techniques

37. The free market involves \_\_\_\_\_.

- A. free provision of products
- B. product subsidisation by government
- C. market forces of demand and supply
- D. All trade via barter

38. When our wants are arranged in the order of priority, it is called \_\_\_\_\_.

- A. choice
- B. arrangement
- C. selection
- D. scale of preference
- E. opportunity cost

39. Which of the following statements is true?

- A. The government of Japan is so rich that it does not worry about opportunity cost.
- B. Air, though very useful to all is of no interest to the economist.
- C. Scarcity is usually measured in absolute terms.
- D. A commodity that cannot be physically transferred from one place to another is not an economic good.
- E. All of the above.

40. Economics can be best defined as the study of \_\_\_\_\_.

- A. how scarce resources can be used efficiently
- B. how to find minimum cost of production
- C. how to spend the family income efficiently
- D. the interpretation of scarce resources and data

41. The tool used by economists to make easy choices is called \_\_\_\_\_.

- A. statement of affairs
- B. schedule of wants
- C. opportunity cost
- D. scale of preference
- E. marginal cost

42. Which is NOT true about mixed economy?

- A. There is supply but not demand
- B. There is government intervention
- C. There is both private and public ownership
- D. There is the interplay of market forces

43. Economics is called a social science because it

- A. is a branch of the social studies
- B. is a study of human behaviour, teaching the way man devices means to satisfy unlimited wants from limited resources
- C. is a dismissal science in the Malthusian sense
- D. is governed by scientific law
- E. the study of human wants by means of scientific methods



## TOPIC: POPULATION AND THE LABOUR MARKET

**DIRECTION: Choose the correct answer from the lettered options.**

1. What could cause an increase in the working population?
  - A. Late entrance into school
  - B. Family planning
  - C. Educational pursuit
  - D. Increase in immigration
  
2. A country is said to be overpopulated when \_\_\_\_\_.
  - A. the resources are more than enough to cater for the population
  - B. the size of the population is greater than the annual budget
  - C. the resources are inadequate to cater for the population
  - D. there are too many able bodied men and women in the country
  
3. \_\_\_\_\_ is the total number of man hour people are willing and able to work in different industries and occupations at a particular wage rate.
  - A. The demand for labour
  - B. Supply
  - C. Demand
  - D. The supply of labour
  
4. Which of the following statements is correct?
  - A. Optimum population does not change once it has been achieved.
  - B. Under-population implies that available resources are not used to full capacity.
  - C. Over-population leads to a higher per capital output.
  - D. Optimum population leads to overcrowding of cities.

E. None of the above.

5. Population density refers to \_\_\_\_.

- A. the number of immigrants in a year per thousand of a population
- B. the number of people living per square kilometre of a country
- C. the population at which income per head is maximised
- D. the rate at which a given population increases over a period of time

6. Identify the incorrect statement.

- A. Geographical mobility is also known as vertical mobility.
- B. Geographical mobility is higher among unskilled than skilled workers.
- C. Occupational mobility is higher among unskilled than skilled workers.
- D. Labour mobility is hindered by the payment of inconvenience allowance to transferring staff.

7. A country that experiences increase in population of the aged and children will have a \_\_\_\_.

- A. high productivity level
- B. high dependency ratio
- C. high investment level
- D. low dependency ratio
- E. high inflation rate

8. The labour force of a country can be determined by examining the \_\_\_\_ of the population.

- A. age structure
- B. sex distribution
- C. geographical distribution
- D. occupational distribution

9. The following are factors that determine supply of labour EXCEPT \_\_\_\_\_.

- A. age distribution of population
- B. number of man hours worked
- C. population size
- D. rate of substitution

10. A population that is dominated by people aged 60 and above is regarded as \_\_\_\_\_.

- A. an old population
- B. an ageing population
- C. a retiring population
- D. a dying population

11. The occupational distribution of population in most West African countries shows the highest concentration in \_\_\_\_\_.

- A. agriculture and allied industries
- B. teaching and manufacturing
- C. transportation and industry
- D. mining and indirect services

12. A form of census in which the enumerators only count those who are physically present is called \_\_\_\_\_.

- A. Cacus census
- B. De-facto census
- C. De-jure census
- D. De-montesque census

13. Which of the following is NOT a barrier to mobility of labour?

- A. Insufficient education and training.
- B. Tribalism.
- C. Ignorance of job opportunities.
- D. Lack of relevant work experience.

14. According to Malthus, \_\_\_\_\_.

- A. food production tends to grow faster than population
- B. population doubles itself every 10 years
- C. population grows in arithmetic progression, while food grows in geometric progression
- D. population grows in geometric progression, while food production grows in arithmetic progression

15. A nation with a working population that is insufficient to exploit its resources is said to be \_\_\_\_\_.

- A. over-populated
- B. under-populated
- C. experiencing decreasing population
- D. experiencing increasing population

16. A worker may find it difficult to be occupationally or geographically mobile due to \_\_\_\_\_.

- A. family and social ties
- B. inadequate health facilities
- C. inadequate social amenities

D. unfavourable working condition

Look at the table closely and answer the question.

17. The table shows the age distribution of country A in 1983. Using the data in the table, calculate the percentage of working population in 1983.

A. 27%

B. 52%

C. 57%

D. 70%

## TOPIC: THE PROCESS OF DISTRIBUTION

**DIRECTION:** Choose the correct answer from the lettered options.

1. The inefficient distribution of commodities in West Africa is due to the \_\_\_\_\_.
  - A. activities of middle-men
  - B. level of poverty
  - C. narrow market
  - D. sovereignty of the consumers
  
2. A major effect of a long distribution chain is \_\_\_\_\_.
  - A. high retail prices
  - B. scarcity of commodities
  - C. low retail prices
  - D. low producer earnings
  
3. Which of the following reasons could induce a manufacturer to by pass the wholesaler in the distribution chain?
  - A. To provide the quantity needed by retailer.
  - B. To prevent a further hike in the price of his product.
  - C. To provide warehousing facilities.
  - D. To violate government regulation on distribution.
  
4. Which one of the following is NOT the role of government agencies in product distribution?
  - A. They make goods available
  - B. They reduce production
  - C. They fight against artificial scarcity
  - D. They stabilise price

5. Self-service sales are usually practiced in \_\_\_\_\_.

- A. multiple stores
- B. Alaba market
- C. supermarkets
- D. variety chain stores

6. Who carries out the role of proximity to the consumer?

- A. The manufacturer
- B. The wholesaler
- C. The retailer
- D. The consumer

7. Which of the following is NOT a method of retail trade?

- A. Supermarkets
- B. Hawking
- C. Self service
- D. Post office

8. The middlemen refer to the \_\_\_\_\_.

- A. The wholesaler
- B. The manufacturer and consumer
- C. The retailer and consumer
- D. The wholesaler and the retailer

The middlemen are those who bridge the gap between the producer and the consumer.

9. Middlemen are criticised because \_\_\_\_\_.

- A. they collect useful information for manufacturers
- B. they grant loans to manufacturers
- C. they hoard goods in order to raise their prices
- D. they take consumer goods to remote parts of the country

10. Which of the following is NOT a problem of distribution in Nigeria?

- A. Hoarding
- B. Inadequate credit facilities
- C. Sufficient market
- D. Numerous middlemen

11. Which of the following is a function of the wholesaler?

- A. Banking.
- B. Hoarding.
- C. Storage.
- D. After sales service.

12. Which of the following pairs can be referred to as middlemen?

- A. Consumers and producers
- B. Producers and hawkers
- C. Producers and wholesalers
- D. Retailers and wholesalers



13. Which of the following is NOT a problem encountered in product distribution in Nigeria?

- A. Activities of middlemen
- B. Hoarding
- C. Large market
- D. Poor road network

14. Which of the following is an important function of the retailer?

- A. Grants credit to the wholesaler.
- B. Breaks bulk and sells products in small units.
- C. Reduces cost of production.
- D. Generates demand for products through advertisement.
- E. Increases the price of goods and services as a middleman.

15. A major problem of product distribution in most developing countries is \_\_\_\_.

- A. lack of storage facilities
- B. large number of middlemen
- C. inadequate manpower
- D. inadequate means of transportation
- E. all of the above

16. Who sells in units?

- A. The retailer
- B. The wholesaler
- C. The producer
- D. The consumer

17. Which of the following is NOT an inducement to the consumer as regards retail business?

- A. Availability of loan facilities
- B. Availability of credit facilities
- C. After sale services
- D. Convenient opening hours

18. A trader who buys in bulk and sells in bits is known as a \_\_\_\_\_.

- A. manufacturer
- B. sales representative
- C. retailer
- D. clearing agent
- E. wholesaler

19. Production is NOT complete until \_\_\_\_\_.

- A. the product reaches the final consumer
- B. the last phase of the manufacturing process is completed
- C. allied based companies consume the materials gotten from agro based companies
- D. all raw materials and semi-finished goods are converted to finished goods

20. A statutory organisation responsible for organising production and distribution as well as controlling of agricultural product prices is called a \_\_\_\_\_.

- A. co-operative society
- B. green revolution
- C. marketing board
- D. trade union

21. Which of these is NOT a function of the wholesaler?

- A. Producing of goods.
- B. Bulk buying.
- C. Branding and grading of products.
- D. Providing a warehouse for goods.

22. Which of these is a member of the distribution channel?

- A. A jobber.
- B. A retailer.
- C. A broker.
- D. A monopolist.

23. The wholesaler performs the following functions EXCEPT\_\_\_\_\_.

- A. breaking the bulk
- B. offering credit facilities to consumers
- C. financing manufacturers
- D. buying in bulk from manufacturers

24. Who is regarded as an essential element in the distribution chain?

- A. The manufacturer
- B. The wholesaler
- C. The retailer
- D. The agent

# ANSWERS



## TOPIC: AGRICULTURE IN WEST AFRICA

**DIRECTION: Choose the correct answer from the lettered options.**

1. The following are advantages of large scale agriculture EXCEPT \_\_\_\_\_.

- A. use of simple implements
- B. use of sophisticated implements
- C. increase in employment
- D. integration of crop and animal farming

The correct answer is option [A].

2. Which of the following is a part of crop production?

- A. Tending
- B. Transplanting
- C. Monocropping
- D. Mixed cropping

The correct answer is option [A]

3. Which of the following statements is true of subsistence agriculture?

- A. It involves the use of modern implements.
- B. It involves the growth of crops for family consumption.
- C. It involves the growth of crops chiefly for export.
- D. It requires large storage facilities.

The correct answer is option [B]

4. Which of the following is NOT a form of farm unit that was set up in West Africa for higher productivity and increased output?

- A. Settlement schemes
- B. Investment scheme
- C. Improvement scheme

D. Development scheme

The correct answer is option [D]

5. Agriculture is central to Nigeria's economic development because \_\_\_\_.

A. Nigeria's comparative advantage lies mainly in agro-allied industries

B. it is the largest employer of labour

C. it is an insignificant part of the gross domestic product

D. it is the main foreign exchange earner

The correct answer is option [B].

6. Tree crops include the following EXCEPT \_\_\_\_.

A. kolanut

B. coconut

C. cocoyam

D. oil palm

The correct answer is option [C]

7. \_\_\_\_ is a system of agriculture.

A. Crop production

B. Forestry

C. Mechanised farming

D. Fishing

E. Livestock

The correct answer is option [C]

Systems of agriculture include: peasant farming, plantation farming, mechanised farming and co-operative farming.

Options A, B, D and E are components of agriculture.

8. Which of the following is NOT a classification of crops?

- A. Leaves
- B. Roots
- C. Trees
- D. Grains

The correct answer is option [A]

9. Which of the following is NOT an agricultural product?

- A. Alum
- B. Cotton
- C. Jute
- D. Rice

The correct answer is option [A]

10. Which of the following industries does NOT need the produce from the forest?

- A. Paper industry
- B. Shoe making industry
- C. Medical industry
- D. Aluminium industry

The correct answer is option [D]

11. Which of the following is NOT a feature of subsistence agriculture?

- A. Use of crude implements
- B. Processing of raw materials
- C. Little capital
- D. Absence of paid capital

The correct answer is option [B]

12. Agricultural productivity is measured as \_\_\_\_\_.



- A. a ration of agricultural produce consumed in a production
- B. the ratio of agricultural products to non-agricultural products
- C. a ration of agricultural outputs to agricultural inputs
- D. the ratio of agricultural outputs to agricultural inputs

The correct answer is option [D]

13. Which of these is NOT a characteristic of plantation agriculture?

- A. It involves the use of harvesters.
- B. It involves a huge investment of capital.
- C. It involves the practice of shifting cultivation.
- D. It involves the use of large tracts of land.

The correct answer is option [C]

14. Which of the following is NOT an agricultural policy in West Africa?

- A. Supervisory policy
- B. Investment policy
- C. Compensatory policy
- D. Development policy

The correct answer is option [B]

15. Crop production involves the following EXCEPT \_\_\_\_\_.

- A. growing
- B. tending
- C. transplanting
- D. planting

The correct answer is option [C]

16. Commercial agriculture enhances the revenue prospects of the government through the receipts from the following EXCEPT \_\_\_\_\_.

- A. excise duties
- B. export duties
- C. import duties
- D. company income taxes

The correct answer is option [C]

## TOPIC: BASIC ECONOMIC PROBLEMS OF SOCIETY

**DIRECTION:** Choose the correct answer from the lettered options.

1. In a capitalist economy, the decision regarding what to produce is left in the hands of \_\_\_\_.

- A. private individuals
- B. government and private individuals
- C. government
- D. central planning agency

The correct answer is option [A]

2. Efficiency is measured by \_\_\_\_.

- A. input of resources/output of goods or service
- B. input of goods or services/output of resources
- C. quantity of capital/input of resources
- D. output of goods or services/input of resources
- E. None of the above

The correct answer is option [D]

3. The two main modes of production in every economy are \_\_\_\_ and \_\_\_\_ modes.

- A. consumer and producer
- B. labour intensive and capital intensive
- C. primary and secondary
- D. short-term and long-term

The correct answer is option [B]

4. Which of the following is NOT a disadvantage of capitalism?

- A. Unregulated competition can create monopoly by one producer eliminating others.
- B. Wastage of resources can occur as a result of speculative overproduction of goods and services.
- C. Exploitation of workers can result in excessive profiteering.
- D. Competition ensures that the quality of goods and services is continuously improved upon.

The correct answer is option [D]

5. Which of the following is NOT a feature of socialism?

- A. Mutual coexistence of public and private sector.
- B. Competitive production is officially absent.
- C. Private firms and individuals are officially barred from certain economic activities.
- D. The government owns and controls all the major means of production.
- E. Production is not based on profit motive.

The correct answer is option [A]

6. In a planned economy \_\_\_\_\_.

- A. resources are allocated by market forces
- B. the government determines what is produced
- C. the price mechanism acts as a signal and incentive
- D. there is private sector dominance

The correct answer is option [B]

7. How are funds allocated efficiently in a market economy?

- A. The economic unit that considers itself most in need of funds receives funds first followed by those who are less in need.
- B. Receipt of funds is rotated over time so that each economic unit can receive them in turn.
- C. The largest economic units receive the funds first followed by smaller firms if sufficient funds are available.
- D. The economic unit that is willing to pay the highest expected return for a given risk level receives the funds.
- E. Big economic units get the funds first followed by medium economic units and finally small economic units

The correct answer is option [D]

8. In which economic system is the free play of market forces not allowed?

- A. Mixed economy
- B. Socialism
- C. Capitalism
- D. None of the above

The correct answer is option [B]

9. Which of the following is NOT a basic feature of capitalism?

- A. Profit maximization.
- B. Price fixing.
- C. Competition.
- D. Government ownership.

The correct answer is option [D]

10. Which of the following is correct of a capitalist system?

- A. The purchases of citizens are restricted by the government.
- B. Only the government owns and controls the means of production.

- C. Private individuals are allowed to own and control the means of production.
- D. Production of goods and services is strictly on the calculation of social welfare.

The correct answer is option [C]

11. Another name for the socialist system is \_\_\_\_\_.

- A. mixed system
- B. capitalist system
- C. command system
- D. free hand economy

The correct answer is option [C]

12. Which of the following is NOT an advantage of capitalism?

- A. Competition among private individuals promotes the production of quality goods and services.
- B. There is self regulation of the economy through the forces of demand and supply.
- C. Workers are being exploited because of competition among private individuals.
- D. The profit motive of private individuals gives rise to continuous growth in the efficient utilization of resources.
- E. The rate and pace of economic development is accelerated through competition.

The correct answer is option [C]

13. In a free market, how are resources allocated?

- A. Through revenue allocation
- B. Through elasticities
- C. Through cost
- D. Through the forces of demand and Supply

The correct answer is option [D]

14. The government intervenes in the production of \_\_\_\_ goods in a mixed economy.

- A. luxury
- B. giffen
- C. essential
- D. complementary

The correct answer is option [C]

15. Which of the following is NOT a basic economic problem of the society?

- A. What to produce.
- B. How to produce.
- C. Cost to produce.
- D. For whom to produce.
- E. Efficient use of resources.

The correct answer is option [C]

16. The basic economic problems arise in the society due to \_\_\_\_.

- A. limited resources
- B. limited want
- C. unlimited resources
- D. numerous resources

The correct answer is option [A]

17. In a mixed economy, the decision on what to produce is in the hands of \_\_\_\_.

- A. a central planning agency
- B. the government and private individuals

- C. the government
- D. private individuals

The correct answer is option [B]

18. In a socialist economic system, resource allocation is managed primarily by \_\_\_\_\_.

- A. large corporations
- B. workers committees
- C. the market
- D. central planning

The correct answer is option [D]

19. If cigarettes serve as a medium of exchange, a unit of account, and a store of wealth, cigarettes are said to function as \_\_\_\_\_.

- A. bank deposits
- B. reserves
- C. money
- D. loanable funds
- E. liabilities

The correct answer is option [C]

20. Under capitalism, individuals are forced to make choices due to \_\_\_\_\_.

- A. scarce time but not scarce spending power
- B. scarce spending power, but not scarce time
- C. neither scarce time nor scarce spending power
- D. scarce time and scarce spending power

The correct answer is option [D]



21. The following are basic economic problems of any society EXCEPT \_\_\_\_\_.

- A. where to produce
- B. for whom to produce
- C. how to produce
- D. what to produce

The correct answer is option [A].

22. Which of the following is true of a socialist economy?

- A. Wealth is evenly distributed.
- B. Purchases made by citizens are monitored by the government.
- C. Non-governmental agencies are responsible for the exchange of exports with other countries.
- D. Private individuals are allowed to own and control the means of production.

The correct answer is option [A]

23. A mixed economy is comprised of a \_\_\_\_\_.

- A. public sector only
- B. private sector only
- C. middle sector
- D. private and public sector

The correct answer is option [D]

24. The decision on what to produce is a problem in \_\_\_\_\_.

- A. all economic systems
- B. a mixed economic system only
- C. democratic socialist economy only
- D. a free enterprise system only
- E. a planned economic system only

The correct answer is option [A].

This is so because all economic systems must produce base on the consumption and production needs of its individuals

25. In a socialist economy, the decision on what to produce is left in the hands of \_\_\_\_\_.

- A. government
- B. private individuals
- C. central planning agency
- D. government and private individuals

The correct answer is option [C]

26. The basic factor in the classification of economic systems is the \_\_\_\_\_.

- A. ownership and control of the means of production
- B. nature of the resources available in a country
- C. level of illiteracy of the people in the economy
- E. none of the above

The correct answer is option [A]

27. Which of the following constitutes the basic economic problems of the society?

- A. How to harvest, how to produce and how to distribute.
- B. For whom to produce, when to produce and where to produce.
- C. What to produce, how to produce and for whom to produce.
- D. How to produce, how to store and whom to distribute

The correct answer is option [C]

**TOPIC: BASIC TOOLS OF ECONOMIC ANALYSIS*****DIRECTION: Choose the correct answer from the lettered options.***

Use the table below to answer the question.

1. The median score in the distribution is

Scores (x)	0	3	6	7	8	9	10
Frequency (f)	2	7	12	6	7	3	1

A. 2

B. 3

C. 5

D. 6

The correct answer is option [D]

2. A table is a \_\_\_\_\_.

A. graphical representation of a frequency distribution

B. pictorial representation of a functional relationship

C. set of orderly arranged quantitative data presented in rows and columns

D. sphere divided into portions in proportion to the percentage of each item

The correct answer is option [C]

3. To find the percentage change in a number, divide the absolute change by the original number and multiply by 100.

A. True

B. False

The correct answer is option [A]

The formular below is used to determine \_\_\_\_\_

$$\sqrt{\frac{\sum (x - \bar{x})^2}{n}}$$

4.

- A. mean deviation
- B. mean
- C. mode
- D. standard deviation

The correct answer is option [D]

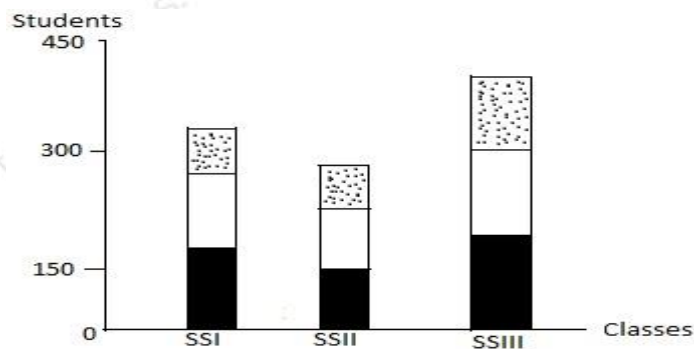
5. Which of the following economic tools will best illustrate the relationship between price and quantity demanded of a commodity?

- A. Mean
- B. Range
- C. Graph
- D. Pie-chart

The correct answer is option [D].

Graph is a two-dimensional representation of data thus can represent a demand for, and price relationship.

6. The diagram is an example of a \_\_\_\_\_.



- A. departmental bar chart
- B. component bar chart
- C. multiple bar chart

D. box bar chart

The correct answer is option [B]

7. Which of the following is NOT a form of chart used in carrying out economic analysis?

- A. Time chart.
- B. Block diagram.
- C. Frequency polygon.
- D. Organogram.

The correct answer is option [D]

8. If the diagram of a line shows that lower values on the vertical scale are associated with higher values on the horizontal scale, this is an example of \_\_\_\_\_.

- A. a nonlinear relationship
- B. a positive linear relationship
- C. a scatter diagram
- D. a negative linear relationship

The correct answer is option [D]

9. The orderly arrangement of information, data or facts in rows and columns is referred to as \_\_\_\_\_

- A. chart
- B. graph
- C. histogram
- D. table

The correct answer is option [D]

10. Find the mode of the following distribution of scores by 10 students at the end of an examination: 80, 75, 42, 55, 30, 56, 30, 78, 64 and 35.

- A. 56
- B. 80
- C. 30
- D. 55

The correct answer is option [C]

Mode is the number with the highest frequency, that is, the number that appears the most. 30 and 80 appeared the most, they appeared twice each.

11. What is the mean of the following set of scores: 85, 65, 45, 78, 92, 64, 56, 66, 48, 59, 28, 34 and 19 to the nearest whole number?

- A. 56
- B. 57
- C. 58
- D. 59

The correct answer is option [B]

12. Which of the following is NOT correct about measures of central tendency?

- A. They are tools for calculating deviations.
- B. They represent a single value that can easily be described as typical of a certain set of data.
- C. They tell us numbers around which the item in a particular group appears to cluster.
- D. They can be regarded as averages.

The correct answer is option [A]

13. A straight line diagram can be drawn knowing the \_\_\_\_ and \_\_\_\_.

- A. vertical axis and horizontal axis
- B. intercept and slope
- C. scale and slope
- D. intercept and scale

The correct answer is option [C]

14. The journey from Port Harcourt to Umuahia will take about 1 hour 20 minutes, but the following times were recorded on different journeys:

1 hr 10 mins - 1st time

1 hr 15 mins - 2nd time

1 hr 20 mins - 3rd time

1 hr 5 mins - 4th time

1 hr 30 mins - 5th time

Calculate the mean time.

A. 1 hr 16 mins

B. 1 hr 30 mins 20 secs

C. 1 hr 25 mins 58 secs

D. 1 hr 18 mins

The correct answer is option [A]

15. If your income during one year is N10,000 and the following year, it is N12,000, then it has grown by \_\_\_\_\_.

A. 20%

B. 2%

C. 12%

D. 16%

The correct answer is option [A]

$$\text{N12,000} - \text{N10,000} = 2,000$$

$$\text{Percentage change} = 2,000 / 10,000 \times 100 = 20\%$$

16. Determine the mean and mode of the distribution below

5, 7, 4, 5, 8, 9, 4, 5, 6, 9, 7, 8.

- A. 6.4 and 5
- B. 3.6 and 4
- C. 12.8 and 8
- D. 5 and 6,4

The correct answer is option [A]

17. A population which has two modes is called \_\_\_\_.

- A. double modal
- B. betamodal
- C. bimodal
- D. dual modal

The correct answer is option [C]

18. A graph is a form of \_\_\_\_.

- A. triangular representation of the functional relationship between two variables in the form of diagrams
- B. circular representation of the functional relationship between two variables in the form of diagrams
- C. three-dimensional representation of the functional relationship between two variables in the form of diagrams
- D. pictorial representation of the functional relationship between two variables in the form of diagrams

The correct answer is option [D]

19. A functional relationship exist between two things when \_\_\_\_.

- A. one thing is dependent on the other
- B. the functions between them are related
- C. the quantity of a commodity is constant



- D. the two quantities are fixed
- E. both of them are independent of each other

The correct answer is option [A]

20. The mode is the item with the highest \_\_\_\_.

- A. digit
- B. frequency
- C. value
- D. fraction

The correct answer is option [B]

Use the table below to answer the question.

21. The modal score in the distribution is

Scores (x)	0	3	6	7	8	9	10
Frequency (f)	2	7	12	6	7	3	1

- A. 0
- B. 3
- C. 6
- D. 12

The correct answer is option [C]

22. Data are important in economics because \_\_\_\_ and \_\_\_\_.

- A. they suggest relationships for explanation, allow testing of hypothesis
- B. they can be used for tables, they can be graphed
- C. they can be used in computer, government use them
- D. they provide interesting information, can be summarised

The correct answer is option [A]

23. The sum of items divided by the number of items is the \_\_\_\_.

- A. frequency
- B. mean

- C. median
- D. mode

The correct answer is option [B]

24. Find the median of the following set of scores: 8, 9, 6, 5, 10

- A. 9
- B. 8
- C. 6
- D. 5

The correct answer is option [B]

Arrange the scores in either ascending or descending order.

5, 6, 8, 9, 10

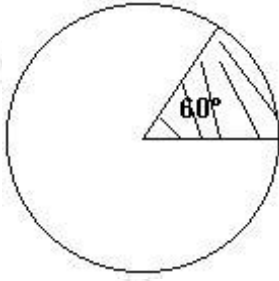
The median is the middle number in a case where the number of scores are odd while it is the addition of the two middle numbers divided by 2 in a case where the number of scores are even number.

25. Measures of central tendency are basically \_\_\_\_.

- A. deviations
- B. standard errors
- C. averages
- D. totals

The correct answer is option [C]

26. The pie-chart below represents the total population of a school of 1,200. The shaded area of 60° shows the population of the underaged pupils. What is the population of the mature students?



- A. 600
- B. 800
- C. 1,000
- D. 1,200

The correct answer is option [C].

let 'x' be the degrees of mature students

$$x = 360^\circ - 60^\circ = 300^\circ$$

$$\text{Mature student} = (300/360) * 1200 = 1000$$

NOTE:

/ denotes division

\* denotes multiplication

27. Which of the following is correct of a bar chart?

- A. The chart consists of lines.
- B. The bars are of equal width.
- C. The spaces between the bars are unequal.
- D. The lengths of the bars are not proportional.
- E. The bars are always long.

The correct answer is option [B].

A bar chart has equal widths and spaces between bars.

## TOPIC: BUSINESS ORGANISATIONS

**DIRECTION: Choose the correct answer from the lettered options.**

1. Which type of business organisation has the attribute of effectively combining ownership with management?

- A. Sole proprietorship.
- B. Partnership.
- C. Limited liability company.
- D. Public enterprise.

The correct answer is option [A].

2. Limited liability implies that \_\_\_\_\_.

- A. the owners of the company are very rich
- B. the obligations of the owners are very few
- C. the owners are protected against the sale of their personal assets for the settlement of the business debt of the company
- D. their liability is limited to the value of the shares sold to them
- E. all of the above

The correct answer is option [ D ]

Limited liability is a concept whereby a person's financial liability is limited to a fixed sum, most commonly the value of a person's investment in a company or partnership with limited liability. A shareholder in a limited liability company is not personally liable for any of the debts of the company, other than for the value of his investment in that company. The same is true for the members of a limited liability partnership and the limited partners in a limited partnership. By contrast, sole proprietors and partners in general partnerships are each liable for all the debts of the business (unlimited liability).

Although a shareholder's liability for the company's actions is limited, the shareholder may still be liable for its own acts. For example, the directors of small companies (who are frequently also shareholders) are frequently required to give personal guarantees of the company's debts to those lending to the company. They will then be liable for

those debts in the event that the company cannot pay, though the other shareholders will not be so liable.

3. Which of the following is an advantage of sole proprietorship?

- A. Greater specialisation in managerial functions.
- B. Flexibility in admission of new members.
- C. Involvement of shareholders in decision-making.
- D. Opportunity to take quick decisions.

The correct answer is option [D].

This is as a result of the fact that there is a single owner. So decision-making does not have to go through other people.

4. Private business organizations can take any of the following forms, except \_\_\_\_\_.

- A. sole proprietorship
- B. municipal enterprise
- C. partnership
- D. private company

The correct answer is option [B]

Municipal enterprises are businesses owned by local public authorities that provide services and often revenue in cities across the United States.

5. Which of the following statements is correct?

- A. The sole proprietor has limited liability.
- B. A sole proprietor can easily dispose of his ownership position compared to a shareholder in a corporation.
- C. A sole proprietorship can be formed more quickly than a corporation.
- D. The owner of a sole proprietorship faces double taxation unlike the partners in a partnership.
- E. A sole proprietorship requires a minimum of seven persons to start up.

The correct answer is option [C]

6. An advantage of sole proprietorship over partnership form of business organisation is that \_\_\_\_\_.

- A. its existence is limited by an individual's life span
- B. it relies on the decision of friends to succeed
- C. the possibility of conflict in management is virtually non-existent
- D. it enjoys limited liability for debt in the event of failure

The correct answer is option [C].

Sole proprietorship is a business organisation that is owned and controlled by one person.

7. Which of the following documents is required to set up a limited liability company?

- A. Articles of association
- B. Articles of ostentation
- C. Bill of lading
- D. Certificate of occupancy

The correct answer is option [A].

8. Which of the following is NOT a large retail outlet?

- A. Departmental stores
- B. kiosk
- C. Multiple-shops
- D. Peddler mail order business

The correct answer is option [B].

9. Liquidation of a limited liability company implies that the \_\_\_\_\_.

- A. company may not pay its debts
- B. debts of the company can only be paid from its own assets
- C. debts of the company are paid from both business and private funds of the owners

D. debts of the company must be paid from public funds only

The correct answer is option [B].

Option [C] is typical of unlimited liability companies such as partnership and sole proprietorship.

10. Partnership business is usually governed by a written agreement called \_\_\_\_.

- A. a partnership code
- B. an undertaking for partnership
- C. a deed of partnership
- D. a partnership treaty

The correct answer is option [C].

11. Which of the following is NOT a source of finance to a joint stock company?

- A. Bank loan
- B. Co-operative thrift
- C. Debentures
- D. Equity shares

The correct answer is option [B].

12. Which of the following is NOT a source of funding for private limited liability companies?

- A. Debit
- B. Loan
- C. Ploughed back profits
- D. Debenture

The correct answer is option [A].

The sources of fund for Limited Liability Company takes basically three forms - shares, retained profit and borrowing.

13. A major constraint to the expansion of small businesses in Nigeria is \_\_\_\_\_.

- A. inability to provide after-sales services
- B. inadequate capital
- C. limited market
- D. low level of technology

The correct answer is option [B]

14. Statutory organizations usually established by acts of parliament are called \_\_\_\_\_.

- A. public corporations
- B. cooperative societies
- C. joint stock companies
- D. public enterprises

The correct answer is option [A].

15. One factor that distinguishes business organisations from other organisations is \_\_\_\_\_.

- A. the structure of the organisation
- B. profit motive
- C. the number of employees
- D. location of offices

The correct answer is option [B].

Business organizations are formed with a bid to make profit.

16. The public sector of an economy includes \_\_\_\_\_.

- A. cooperative societies
- B. nationalised industries
- C. joint stock companies
- D. pressure groups

The correct answer is option [B]



17. What is potentially the biggest advantage of a small partnership over a sole proprietorship?

- A. Unlimited liability.
- B. Single tax filing.
- C. Difficult ownership resale.
- D. Raising capital.

The correct answer is option [D]

18. One advantage of the sole proprietorship over other forms of business organisations is that it can \_\_\_\_\_.

- A. make very high profit
- B. employ many workers
- C. keep its affairs private
- D. produce on a very large scale

The correct answer is option [C].

19. A firm is said to be a public joint stock company when it \_\_\_\_\_.

- A. is owned by the government
- B. sells its shares to members of the public
- C. operates as a government corporation
- D. is not legally recognised as a firm

The correct answer is option [B]

20. The most important advantage of cooperative societies is \_\_\_\_\_.

- A. the high degree of democracy
- B. the increase in the cost of marketing
- C. the encouragement of members to save money

- D. the possibility of raising loans for members
- E. the ability of members to attend functions together

The correct answer is option [D].

21. Which of the following applies to sole proprietorship?

- A. Greater specialisation in management functions.
- B. Flexibility in admission of new members.
- C. Quick and easy decision making.
- D. Involvement of shareholders in making decisions.

The correct answer is option [C]

22. Which of the following would generally have unlimited liability?

- A. A limited partner in a partnership.
- B. A shareholder in a corporation.
- C. The owner of a sole proprietorship.
- D. A member of a limited liability company.

The correct answer is option [C]

23. The type of co-operative society which buys goods in bulk and sells to its members is called \_\_\_\_\_.

- A. consumer co-operative
- B. producer co-operative
- C. credit and thrift co-operative
- D. profit and loss co-operative
- E. manufacturer co-operative

The correct answer is option [A].

24. The cooperative as a form of business organisation differs from partnership by having \_\_\_\_\_.

- A. several sources of capital for business financing
- B. the ability to issue preference stock to members
- C. entrenched democratic control in the conduct of business
- D. established rules and regulations governing the activities of its members
- E. none of the above

The correct answer is option [C].

25. A common source of finance to both sole proprietorships and partnerships is \_\_\_\_\_.

- A. issuance of shares
- B. personal savings
- C. government subvention
- D. capital gains tax

The correct answer is option [B].

26. The following are sources of fund to a joint stock company EXCEPT \_\_\_\_\_.

- A. bank loan
- B. co-operative thrift
- C. debentures
- D. equity shares

The correct answer is option [B]

27. Which of the following is NOT a characteristic of public limited liability companies?

- A. Limited liability.
- B. Members of the public can buy shares.
- C. It is not a legal entity.
- D. Ability to transfer ownership interest without prior consent of the other owners.
- E. None of the above.

The correct answer is option [C]

28. Who controls a limited company?

- A. The General Manager.
- B. The Managing Director.
- C. The owner of 51% of the shares.
- D. The board of directors.

The correct answer is option [D]

29. A sole proprietorship raises his/her capital mostly through \_\_\_\_\_.

- A. debentures
- B. dividends
- C. personal savings
- D. preference shares

The correct answer is option [C]

30. One thing that distinguishes business organisations from other organisations is \_\_\_\_\_.

- A. the structure of the building
- B. the profit motive
- C. the number of members
- D. work hours

The correct answer is option [B]

31. All the following are sources of finance to a joint stock company EXCEPT \_\_\_\_\_

- A. debentures
- B. cooperative loans
- C. shares
- D. bank loans

The correct answer is option [B]

32. In the event of a limited liability company going into liquidation, each \_\_\_\_.

- A. shareholder may lose the maximum of the amount he has invested
- B. shareholder loses nothing
- C. shareholder loses everything including his house
- D. shareholder's liability becomes unlimited
- E. shareholder will lose the amount he has invested plus a proportion of his bank account

The correct answer is option [A]

33. Which of the following is NOT a source of long term financing of a business?

- A. Commercial bank loans.
- B. Debentures.
- C. Shares.
- D. Retained profit.
- E. All of the above.

The correct answer is option [A]

34. Which of the following is NOT a type of business ownership?

- A. Debenture holding.
- B. Private company.
- C. Partnership.
- D. Joint stock holding.
- E. Sole proprietorship.

The correct answer is option [A].

A debenture holding is a preferential share that entitles the holder to a certain amount of profit realised before the profit is shared. Where no profits are made, the company is still liable to pay the holder the stipulated amount.

## TOPIC: ECONOMICS: MEANING AND BASIC CONCEPTS

**DIRECTION: Choose the correct answer from the lettered options.**

1. Who among the following people defined Economics in the most generally acceptable form?

- A. Alfred Marshal
- B. A.C. Pigon
- C. Lionnel Robbins
- D. J.S. Mill

The correct answer is option [C]

2. The opportunity cost of a good is \_\_\_\_\_.

- A. the time lost in finding it
- B. the quantity of other goods sacrificed to get more unit of that good
- C. The expenditure on the good
- D. the loss of interest in using savings

The correct answer is option [B]

3. The economist's concept of cost is called the \_\_\_\_\_.

- A. opportunity cost
- B. total cost
- C. market price
- D. cost outlay
- E. marginal cost

The correct answer is option [A].

To the economist, cost refers to the value of the lost opportunity or the value of the alternative that one has to forgo. The economist is not concerned merely with the

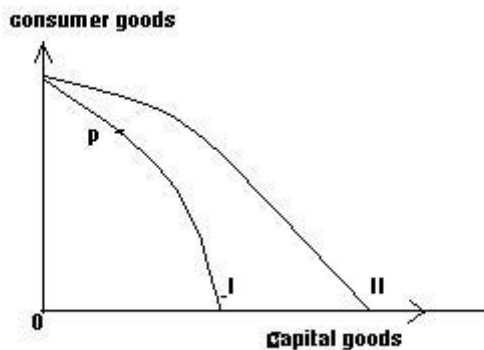
amount of money given up to obtain a commodity but in the value of the alternative which has to be forgone to obtain it.

4. Human wants are \_\_\_\_\_

- A. always fixed
- B. limited
- C. unlimited
- D. likely to decrease over time

The correct answer is option [C]

5. The current stage of the economy is depicted in curve 1. Point P suggests that the economy is \_\_\_\_\_.



- A. attaining full employment
- B. attaining full production, but not full employment
- C. under-capitalised
- D. attaining full employment and full production

The correct answer is option [D].

6. 'Human wants are insatiable'. This means \_\_\_\_\_.

- A. human wants can be fully satisfied
- B. the means of satisfying human wants are limited

- C. human wants are not capable of being fully satisfied
- D. human wants are the same for everybody

The correct answer is option [C]

7. Opportunity cost is also known as \_\_\_\_\_.

- A. accountant's cost
- B. money cost
- C. production cost
- D. real cost

The correct answer is option [D].

Real cost is the actual commodity divided by the commodities given up to acquire another commodity or service.

8. The basic economic problems will NOT be solved by \_\_\_\_\_.

- A. market forces
- B. government intervention
- C. a mixture of government intervention and the free market
- D. the creation of unlimited resources

The correct answer is option [D]

The creation of unlimited resources is impossible.

9. 'Economics is a social science which studies human behaviour as a relationship between ends and scarce means which have alternative uses'. The word 'ends' as used here refers to \_\_\_\_\_.

- A. inputs
- B. wants
- C. resources
- D. outputs

The correct answer is option [B].



10. Choice can be defined as \_\_\_\_\_.

- A. selecting from a number of given alternatives
- B. arranging our wants in order of importance
- C. a list of human desires
- D. a measure of the foregone alternative

The correct answer is option [A]

11. The value of the next alternative foregone by making another decision is known as \_\_\_\_\_.

- A. stop loss
- B. opportunity cost
- C. utility
- D. comparative advantage

The correct answer is option [B]

12. Teaching and banking can be classified as \_\_\_\_\_ production.

- A. commercial
- B. primary
- C. secondary
- D. tertiary

The correct answer is option [D].

Tertiary production involves commercial activities and services to enable finished goods reach the ultimate consumers. It does not involve fabrication or extraction.

13. The most important reason in the study of Economics is \_\_\_\_\_.

- A. to know the quantity of available resources
- B. to see how best the available resources can be utilised in satisfying our various wants
- C. to know the demand for various commodities
- D. to know the correct prices for different goods produced

E. to eliminate wastage

The correct answer is option [B]

14. Which of the following is NOT one of the basic economic questions?

- A. What to produce
- B. Whom to produce
- C. How to produce
- D. How to maximise profit

The correct answer is option [D]

15. \_\_\_\_ defined Economics as a practical science of production and distribution.

- A. H.J. Davenport
- B. Adam Smith
- C. J.S. Mill
- D. Alfred Marshal
- E. Lionnel Robbins

The correct answer is option [C]

16. The following are examples of economic goods EXCEPT \_\_\_\_\_.

- A. bottled water
- B. air
- C. household utensils
- D. shelter

The correct answer is option [B]

17. "Means" in Economics refers to \_\_\_\_\_.

- A. choice
- B. factors

- C. output
- D. resources

The correct answer is option [D]

18. \_\_\_\_\_ is the root of all economic problems.

- A. Choice
- B. Demand
- C. Scarcity
- D. Price

The correct answer is option [C]

19. Opportunity cost is the \_\_\_\_\_.

- A. alternative that is forgone in order to satisfy another want
- B. cost of the resources required for making a commodity
- C. sum of all direct and indirect costs
- D. accrual of financial assets

The correct answer is option [A].

20. In a command economy: \_\_\_\_\_.

- A. the price mechanism acts as an incentive
- B. resources are allocated by market forces
- C. individual firms make decisions for themselves
- D. the public sector is large

The correct answer is option [D]

In a command or planned economy, the government allocates resources so the public sector is large.

21. The sacrifice involved when you choose a particular course of action is called the \_\_\_\_\_.

- A. alternative
- B. opportunity cost
- C. consumer cost
- D. producer cost

The correct answer is option [B]

22. A student's scale of preference has a bag, a pair of shoes, a dress and a book; and all of the items cost ₦20 each. If he is able to buy a bag, his opportunity cost is \_\_\_\_\_.

- A. ₦20
- B. a book
- C. a pair of shoes
- D. the pair of shoes, dress and the book

The correct answer is option [D].

If he buys a bag, it means that he has decided to forgo the pair of shoes, dress and the book. The items that he decided to forgo or sacrifice are the opportunity cost.

23. Resources in any economy \_\_\_\_\_.

- A. are unlimited
- B. are fixed
- C. always increase
- D. are limited

The correct answer is option [D]

Resources are inputs into the production process.

24. The public sector includes \_\_\_\_\_.

- A. investors owning companies
- B. government ownership of assets
- C. market forces of demand and supply
- D. all profit making organisations

The correct answer is option [B].

25. Opportunity cost is otherwise known as \_\_\_\_\_.

- A. money cost
- B. explicit cost
- C. marginal cost
- D. real cost
- E. variable cost

The correct answer is option [D].

Opportunity cost is what is being given up i.e. the foregone alternative to acquire another commodity or service. Thus it is the real cost.

26. The basic economic problems of a society include \_\_\_\_\_.

- A. what to produce, how to produce, and for whom to produce
- B. what to produce, how to produce, and how to sell the produce
- C. scarcity, how to produce, and when to produce
- D. scarcity, where to produce, and for whom to produce

The correct answer is option [A].

27. The study of economics becomes inevitable because \_\_\_\_\_.

- A. human beings need to be economical in their spending
- B. resources are numerous
- C. resources need to be evenly distributed
- D. resources are limited

The correct answer is option [D].

28. Economics is best described as the study of \_\_\_\_\_.

- A. the wealth of nations
- B. how man consumes his products
- C. how man provides for his everyday needs

- D. the distribution of wealth
- E. the advancement of technology

The correct answer is option [C].

29. Which of the following statements is correct?

- A. Economics is a science.
- B. Economics attains the same degree of precision and accuracy as physics, chemistry etc
- C. There will still be opportunity cost even if human wants are few and the means for satisfying them unlimited.
- D. Human wants are of equal importance.
- E. All of the above.

The correct answer is option [A]

30. A resource is scarce if supply exceeds demand at zero price.

- A. True
- B. False

The correct answer is option [B]

31. The ranking of a consumer's needs in order of importance is termed \_\_\_\_.

- A. an opportunity cost
- B. economies of scale
- C. scale of preference
- D. direct production

The correct answer is option [C].

32. Which of the following is NOT a basic fact about man's economic life, according to Lionnel Robbins' definition of Economics?

- A. The means of satisfying human wants are limited and do not have alternative uses.

- B. Human wants can be arranged in order of preference.
- C. The means of satisfying human wants are limited in relation to the demand for them.
- D. Human wants are usually many.

The correct answer is option [A]

33. From an economic point of view, an activity does NOT have a cost when \_\_\_\_.

- A. someone else pays for it
- B. the returns are greater than the cost
- C. the choice involves giving up nothing
- D. the government pays for it
- E. none of the above

The correct answer is option [C]

34. Human wants refer to people's \_\_\_\_.

- A. desire
- B. assets
- C. liabilities
- D. welfare

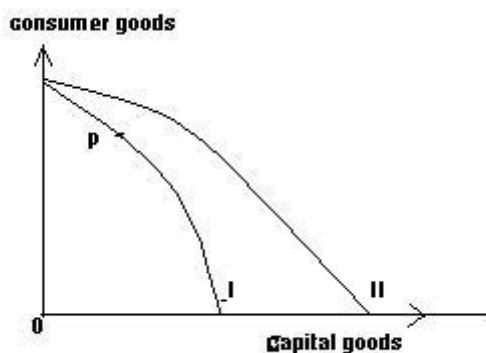
The correct answer is option [A]

35. One of the following is NOT a characteristic of free goods?

- A. They are obtained in whatever quantity one so desires.
- B. They are not paid for.
- C. They are of no economic interest.
- D. They are scarce.

The correct answer is option [D]

36. The movement to Curve II suggests \_\_\_\_.



- A. an improvement in both capital goods technology and consumer goods technology
- B. a movement from unemployment to full employment
- C. that the output for the society has declined
- D. a gain in consumer goods techniques, but not in capital goods techniques

The correct answer is option [A].

37. The free market involves \_\_\_\_\_.

- A. free provision of products
- B. product subsidisation by government
- C. market forces of demand and supply
- D. All trade via barter

The correct answer is option [C]

38. When our wants are arranged in the order of priority, it is called \_\_\_\_\_.

- A. choice
- B. arrangement
- C. selection
- D. scale of preference
- E. opportunity cost

The correct answer is option [D]



39. Which of the following statements is true?

- A. The government of Japan is so rich that it does not worry about opportunity cost.
- B. Air, though very useful to all is of no interest to the economist.
- C. Scarcity is usually measured in absolute terms.
- D. A commodity that cannot be physically transferred from one place to another is not an economic good.
- E. All of the above.

The correct answer is option [B]

This is because air is a free gift of nature, no cost is incurred in using it or no amount is paid to get it.

40. Economics can be best defined as the study of \_\_\_\_\_.

- A. how scarce resources can be used efficiently
- B. how to find minimum cost of production
- C. how to spend the family income efficiently
- D. the interpretation of scarce resources and data

The correct answer is option [A]

41. The tool used by economists to make easy choices is called \_\_\_\_\_.

- A. statement of affairs
- B. schedule of wants
- C. opportunity cost
- D. scale of preference
- E. marginal cost

The correct answer is option [D].

A scale of preference is an ordering of wants in their order of priority and preference.

42. Which is NOT true about mixed economy?

- A. There is supply but not demand
- B. There is government intervention
- C. There is both private and public ownership
- D. There is the interplay of market forces

The correct answer is option [A]

43. Economics is called a social science because it

- A. is a branch of the social studies
- B. is a study of human behaviour, teaching the way man devices means to satisfy unlimited wants from limited resources
- C. is a dismissal science in the Malthusian sense
- D. is governed by scientific law
- E. the study of human wants by means of scientific methods

The correct answer is option [B].

## TOPIC: POPULATION AND THE LABOUR MARKET

**DIRECTION: Choose the correct answer from the lettered options.**

1. What could cause an increase in the working population?

- A. Late entrance into school
- B. Family planning
- C. Educational pursuit
- D. Increase in immigration

The correct answer is option [D]

2. A country is said to be overpopulated when \_\_\_\_.

- A. the resources are more than enough to cater for the population
- B. the size of the population is greater than the annual budget
- C. the resources are inadequate to cater for the population
- D. there are too many able bodied men and women in the country

The correct answer is option [C].

3. \_\_\_\_\_ is the total number of man hour people are willing and able to work in different industries and occupations at a particular wage rate.

- A. The demand for labour
- B. Supply
- C. Demand
- D. The supply of labour

The correct answer is option [D]

4. Which of the following statements is correct?

- A. Optimum population does not change once it has been achieved.
- B. Under-population implies that available resources are not used to full capacity.
- C. Over-population leads to a higher per capital output.

- D. Optimum population leads to overcrowding of cities.
- E. None of the above.

The correct answer is option [B].

5. Population density refers to \_\_\_\_.

- A. the number of immigrants in a year per thousand of a population
- B. the number of people living per square kilometre of a country
- C. the population at which income per head is maximised
- D. the rate at which a given population increases over a period of time

The correct answer is option [B].

6. Identify the incorrect statement.

- A. Geographical mobility is also known as vertical mobility.
- B. Geographical mobility is higher among unskilled than skilled workers.
- C. Occupational mobility is higher among unskilled than skilled workers.
- D. Labour mobility is hindered by the payment of inconvenience allowance to transferring staff.

The correct answer is option [A]

7. A country that experiences increase in population of the aged and children will have a \_\_\_\_.

- A. high productivity level
- B. high dependency ratio
- C. high investment level
- D. low dependency ratio
- E. high inflation rate

The correct answer is option [B].

Dependency ratio is determined by the number of children and aged with respect to the active labour force.

8. The labour force of a country can be determined by examining the \_\_\_\_ of the population.

- A. age structure
- B. sex distribution
- C. geographical distribution
- D. occupational distribution

The correct answer is option [D].

9. The following are factors that determine supply of labour EXCEPT \_\_\_\_\_.

- A. age distribution of population
- B. number of man hours worked
- C. population size
- D. rate of substitution

The correct answer is option [D]

10. A population that is dominated by people aged 60 and above is regarded as \_\_\_\_\_.

- A. an old population
- B. an ageing population
- C. a retiring population
- D. a dying population

The correct answer is option [B]

11. The occupational distribution of population in most West African countries shows the highest concentration in \_\_\_\_\_.

- A. agriculture and allied industries
- B. teaching and manufacturing
- C. transportation and industry
- D. mining and indirect services

The correct answer is option [A].

12. A form of census in which the enumerators only count those who are physically present is called \_\_\_\_\_.

- A. Cacus census
- B. De-facto census
- C. De-jure census
- D. De-montesque census

The correct answer is option [B].

13. Which of the following is NOT a barrier to mobility of labour?

- A. Insufficient education and training.
- B. Tribalism.
- C. Ignorance of job opportunities.
- D. Lack of relevant work experience.

The correct answer is option [B]

14. According to Malthus, \_\_\_\_\_.

- A. food production tends to grow faster than population
- B. population doubles itself every 10 years
- C. population grows in arithmetic progression, while food grows in geometric progression
- D. population grows in geometric progression, while food production grows in arithmetic progression

The correct answer is option [D]

15. A nation with a working population that is insufficient to exploit its resources is said to be \_\_\_\_\_.

- A. over-populated
- B. under-populated
- C. experiencing decreasing population
- D. experiencing increasing population

The correct answer is option [B].

An under-populated nation has very few people to exploit its resources.

16. A worker may find it difficult to be occupationally or geographically mobile due to \_\_\_\_\_.

- A. family and social ties
- B. inadequate health facilities
- C. inadequate social amenities
- D. unfavourable working condition

The correct answer is option [D]

Look at the table closely and answer the question.

17. The table shows the age distribution of country A in 1983. Using the data in the table, calculate the percentage of working population in 1983.

- A. 27%
- B. 52%
- C. 57%
- D. 70%

The correct answer is option [B].

Working population = 16 - 40 and 41 - 60 age group

Percentage of working population = 27% + 25% = 52%

## TOPIC: THE PROCESS OF DISTRIBUTION

**DIRECTION:** Choose the correct answer from the lettered options.

1. The inefficient distribution of commodities in West Africa is due to the \_\_\_\_\_.

- A. activities of middle-men
- B. level of poverty
- C. narrow market
- D. sovereignty of the consumers

The correct answer is option [A].

As middle men sometimes hoard or smuggle these commodities.

2. A major effect of a long distribution chain is \_\_\_\_\_.

- A. high retail prices
- B. scarcity of commodities
- C. low retail prices
- D. low producer earnings

The correct answer is option [A].

3. Which of the following reasons could induce a manufacturer to by pass the wholesaler in the distribution chain?

- A. To provide the quantity needed by retailer.
- B. To prevent a further hike in the price of his product.
- C. To provide warehousing facilities.
- D. To violate government regulation on distribution.

The correct answer is option [B].

4. Which one of the following is NOT the role of government agencies in product distribution?

- A. They make goods available
- B. They reduce production



- C. They fight against artificial scarcity
- D. They stabilise price

The correct answer is option [B]

5. Self-service sales are usually practiced in \_\_\_\_\_.

- A. multiple stores
- B. Alaba market
- C. supermarkets
- D. variety chain stores

The correct answer is option [C]

6. Who carries out the role of proximity to the consumer?

- A. The manufacturer
- B. The wholesaler
- C. The retailer
- D. The consumer

The correct answer is option [C]

7. Which of the following is NOT a method of retail trade?

- A. Supermarkets
- B. Hawking
- C. Self service
- D. Post office

The correct answer is option [D]

8. The middlemen refer to the \_\_\_\_\_.

- A. The wholesaler
- B. The manufacturer and consumer
- C. The retailer and consumer

D. The wholesaler and the retailer

The correct answer is option [D]

The middlemen are those who bridge the gap between the producer and the consumer.

9. Middlemen are criticised because \_\_\_\_\_.

- A. they collect useful information for manufacturers
- B. they grant loans to manufacturers
- C. they hoard goods in order to raise their prices
- D. they take consumer goods to remote parts of the country

The correct answer is option [C]

10. Which of the following is NOT a problem of distribution in Nigeria?

- A. Hoarding
- B. Inadequate credit facilities
- C. Sufficient market
- D. Numerous middlemen

The correct answer is option [C]

11. Which of the following is a function of the wholesaler?

- A. Banking.
- B. Hoarding.
- C. Storage.
- D. After sales service.

The correct answer is option [C].

12. Which of the following pairs can be referred to as middlemen?

- A. Consumers and producers

- B. Producers and hawkers
- C. Producers and wholesalers
- D. Retailers and wholesalers

The correct answer is option [D]

13. Which of the following is NOT a problem encountered in product distribution in Nigeria?

- A. Activities of middlemen
- B. Hoarding
- C. Large market
- D. Poor road network

The correct answer is option [C].

14. Which of the following is an important function of the retailer?

- A. Grants credit to the wholesaler.
- B. Breaks bulk and sells products in small units.
- C. Reduces cost of production.
- D. Generates demand for products through advertisement.
- E. Increases the price of goods and services as a middleman.

The correct answer is option [B].

15. A major problem of product distribution in most developing countries is \_\_\_\_\_.

- A. lack of storage facilities
- B. large number of middlemen
- C. inadequate manpower
- D. inadequate means of transportation
- E. all of the above

The correct answer is option [D].

16. Who sells in units?

- A. The retailer
- B. The wholesaler
- C. The producer
- D. The consumer

The correct answer is option [A]

17. Which of the following is NOT an inducement to the consumer as regards retail business?

- A. Availability of loan facilities
- B. Availability of credit facilities
- C. After sale services
- D. Convenient opening hours

The correct answer is option [A]

18. A trader who buys in bulk and sells in bits is known as a \_\_\_\_\_.

- A. manufacturer
- B. sales representative
- C. retailer
- D. clearing agent
- E. wholesaler

The correct answer is option [C].

19. Production is NOT complete until \_\_\_\_\_.

- A. the product reaches the final consumer
- B. the last phase of the manufacturing process is completed
- C. allied based companies consume the materials gotten from agro based companies

D. all raw materials and semi-finished goods are converted to finished goods

The correct answer is option [A]

20. A statutory organisation responsible for organising production and distribution as well as controlling of agricultural product prices is called a \_\_\_\_\_.

- A. co-operative society
- B. green revolution
- C. marketing board
- D. trade union

The correct answer is option [C]

21. Which of these is NOT a function of the wholesaler?

- A. Producing of goods.
- B. Bulk buying.
- C. Branding and grading of products.
- D. Providing a warehouse for goods.

The correct answer is option [A]

22. Which of these is a member of the distribution channel?

- A. A jobber.
- B. A retailer.
- C. A broker.
- D. A monopolist.

The correct answer is option [B]

23. The wholesaler performs the following functions EXCEPT\_\_\_\_\_.

- A. breaking the bulk
- B. offering credit facilities to consumers

- C. financing manufacturers
- D. buying in bulk from manufacturers

The correct answer is option [B].

24. Who is regarded as an essential element in the distribution chain?

- A. The manufacturer
- B. The wholesaler
- C. The retailer
- D. The agent

The correct answer is option [B]