



NATIONAL OPEN UNIVERSITY OF NIGERIA
Department of Agricultural Economics and Extension
FACULTY OF AGRICULTURAL SCIENCES

2025_2 EXAMINATIONS_

PROGRAMME: AGRICULTURAL EXTENSION AND MANAGEMENT
COURSE CODE: AEM 751
COURSE TITLE: MICROECONOMIICS
CREDIT UNIT: 2
TOTAL SCORE: 70 MARKS
TIME ALLOWED: 2 HOURS

INSTRUCTION: ANSWER QUESTION ONE (1) (30 MARKS) AND ANY OTHER TWO (2) QUESTIONS (20 MARKS EACH).

QUESTIONS

1.

a) Explain the following: (10 marks)

- i. Utility
- ii. Increasing cost industry
- iii. Decreasing cost industries
- iv. Expansion Path

b) i. What is Entrepreneur? (2 marks)

ii. What is resources? (2 marks)

iii. Explain land, labour and capital as productive resources. (6 marks)

c) i. Explain what economist mean by scarcity. (4 marks)

ii. What is the purpose of a model in economic analysis? (3 marks)

iii. Explain what economists mean by relationships (3 marks)

2.

a) Discuss the following Methodological Hazards in Economics: (10 marks)

- i. Bias
- ii. Loaded Words
- iii. Jargons
- iv. Fallacy of Composition
- v. Myopic Specialization

b) Briefly explain the following Assumptions of the cardinal utility analysis: (10 marks)

- i. Perfect knowledge
- ii. Rationality
- iii. Cardinal utility
- iv. Diminishing marginal utility
- v. Total utility

3.

- a) State law of diminishing marginal utility. (5 marks)**
- b) Differentiate between macroeconomics and microeconomics. (5 marks)**
- c) State the characteristic features of: (10 marks)**
 - i. Perfect competition
 - ii. Monopoly

4.

- a) Briefly discuss the following terms: (15 marks)**
 - i. Market and market structure
 - ii. Law of diminishing return
 - iii. Monopolistic competition
 - iv. Oligopoly
 - v. Price discrimination
- b) i. Define consumer surplus (2 marks)**
 - ii. Explain the effect of subsidy on consumer surplus (3 marks)