ECONOMICS (TYPE E)

PAPER II

Answer **five** questions in all, **one** from section **A** and **four** from section **B**.

SECTION A

1. The hypothetical figures of rice production in Nigeria within a period of six years is given as follows:

Table 2.1

Year	Rice production (in tonnes)
1970	10,000
1971	20,000
1972	5,000
1973	14,000
1974	10,000
1975	25,000

(a) Present the information from **Table 2.1** in a simple bar chat. **(6 marks)**

(b) Calculate the percentages of rice production across the years. **(6 marks)**

(c) What is the average quantity of rice produced from 1970 – 1975? **(4 marks)**

(d) Mention **four** advantages of arithmetic mean. **(4 marks)**

2. **Table 2.2** shows supposed age distribution of population in Orin-Ekiti, Ido/Osi local government of Ekiti State, Nigeria.

Table 2.2

Age Group	Population (in millions)
1 – 17	25
18 – 30	15
31 – 60	18
61 and above	17

(a) Use the information from **Table 2.2** to:
   i. Draw a pie chart **(12 marks)**
   ii. Calculate the percentage of dependent population **(4 marks)**

(b) State **two** effects of over-population. **(4 marks)**

SECTION B

3. (a) What is money? **(5 marks)**
   (b) Explain **five** characteristics of money. **(15 marks)**

4. Explain **five** types of unemployment. **(20 marks)**

5. (a) What is supply? **(5 marks)**
   (b) Spell out **five** factors affecting demand. **(15 marks)**

6. Discuss **five** problems affecting distribution of goods in Nigeria. **(20 marks)**

7. (a) What is localisation of industry? **(5 marks)**
   (b) Explain **five** factors that account for the siting of Dangote cement factory in Obajana, Kogi State. **(15 marks)**

8. (a) What is public corporation? **(5 marks)**
   (b) Expatiate on **five** advantages of government ownership of public corporations. **(15 marks)**

9. (a) Define under-population. **(4 marks)**
   (b) Discuss **four** reasons for high population growth in developing countries. **(16 marks)**

10. (a) Who is a wholesaler? **(5 marks)**
    (b) Explain **five** functions of a retailer. **(15 marks)**

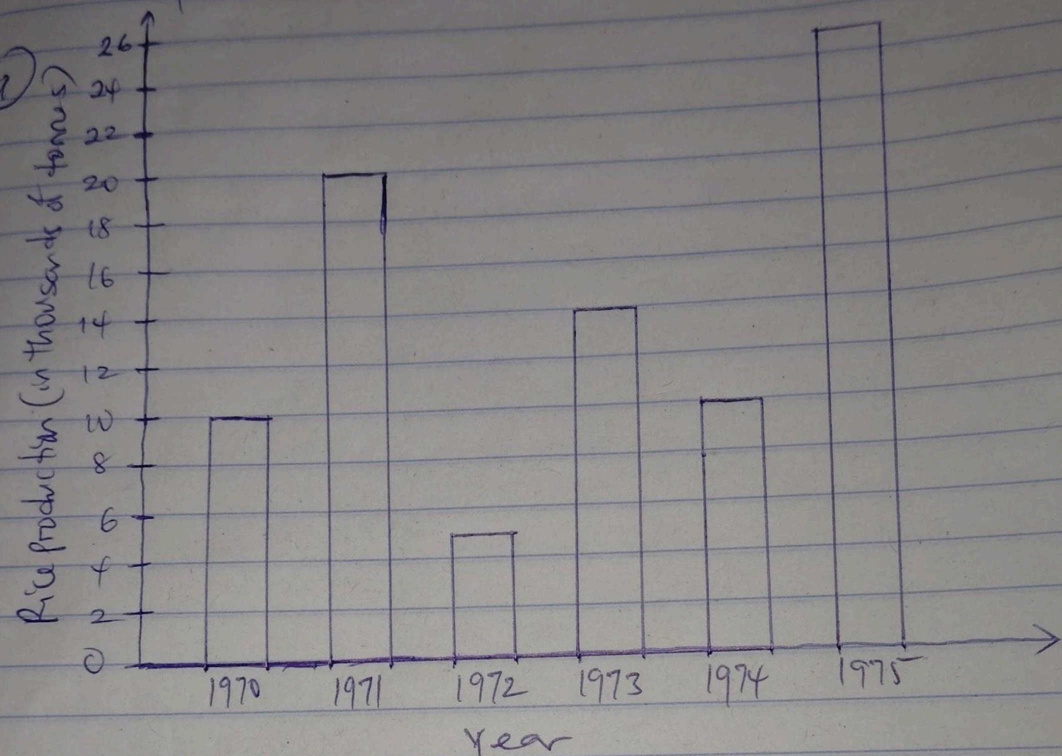
11. In **four** ways, discuss how agricultural productivity can be improved in Nigeria. **(20 marks)**

12. (a) Define unemployment. **(4 marks)**
    (b) Discuss **four** causes of brain drain in Nigeria. **(16 marks)**

Type E

QUESTION 1

(a)



(b) Total Rice production $= 10,000 + 20,000 + 5,000 + 14,000 + 10,000 + 25,000$

$= 84,000$ tonnes

% rice production by year

1970 → $\frac{10,000}{84,000} \times 100\% = 11.9\%$

1971 → $\frac{20,000}{84,000} \times 100\% = 23.8\%$

1972 → $\frac{5,000}{84,000} \times 100\% = \mathbf{5.9}\%$

1973 → $\frac{14,000}{84,000} \times 100\% = 16.7\%$

1974 → $\frac{10,000}{84,000} \times 100\% = 11.9\%$

1975 → $\frac{25,000}{84,000} \times 100\% = 29.8\%$

QUESTION 1 Contd.

(c) Average quantity of rice = $\frac{\text{Total rice production}}{\text{no of years in that time}}$

$= \frac{84,000}{6}$

$= 14,000$ tonnes

(d)
- Arithmetic mean is very easy to calculate.
- It gives an exact value
- It is the best known average
- It is very easy to understand.

(3a)
Money is anything that is generally accepted as a medium of exchange for the payment of goods and services and the settlement of debts. It also serves as a unit of account, a store of value and a standard of deferred payment.

(3b)
(PICK ANY FIVE)
(i) General Acceptability: Money must be widely accepted by everyone in an economy as a means of payment for goods and services. Buyers and sellers should willingly receive it without hesitation. This universal acceptance makes transactions easier, eliminates the need for barter and enables money to perform its functions efficiently in all sectors of the economy.

(ii) Durability: Money should be able to withstand frequent handling without tearing, wearing out or losing its value. It should be made from materials that can last for a long period. Durable money reduces replacement costs, remains in circulation for many years and ensures confidence among users during transactions.

(iii) Portability: Money should be easy to carry from one place to another regardless of its value. People should conveniently transport it when making purchases or travelling. A portable form of money encourages trade, simplifies commercial activities and enables individuals to conduct transactions without unnecessary difficulty or inconvenience.

(iv) Divisibility: Money should be capable of being divided into smaller units without affecting its total value. This makes it possible to pay exact amounts and receive accurate change. Divisibility allows both small and large transactions to take place conveniently, thereby promoting efficiency in buying and selling activities.

(v) Homogeneity (Uniformity): Every unit of money of the same denomination should be identical in appearance, quality and value. One ₦500 note should have the same value as every other ₦500 note. Uniformity removes confusion, promotes confidence and ensures fairness in commercial transactions throughout the economy.

(vi) Scarcity: Money should not be excessively abundant because an unlimited supply would reduce its value. The monetary authorities must regulate the quantity of money in circulation to maintain its purchasing power. Scarcity helps to preserve confidence in the currency and prevents excessive inflation within the economy.

(vii) Recognisability: Money should be easy to identify and difficult to counterfeit. Its colour, size, design and security features should enable users to distinguish genuine currency from fake ones. Recognisable money builds public confidence, reduces fraud and promotes smooth commercial transactions across the economy.

(viii) Stability of Value: Money should maintain a relatively stable purchasing power over time. Frequent changes in its value reduce public confidence and make planning difficult. Stable money encourages saving, investment and long-term business decisions while ensuring that prices remain reasonably predictable in the economy.

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(4)
(i) Frictional Unemployment: This occurs when workers are temporarily unemployed while searching for new jobs or changing from one employment to another. It is usually short-term and results from the normal movement of labour within the economy. It ends once suitable employment is found by the affected workers.

(ii) Structural Unemployment: This arises when workers possess skills that no longer match the requirements of available jobs due to technological changes or changes in production methods. Workers remain unemployed until they acquire new skills or relocate to areas where suitable employment opportunities exist.

(iii) Seasonal Unemployment: This type of unemployment occurs when certain jobs are available only during particular seasons of the year. Agricultural workers, tourism employees and workers in seasonal industries become unemployed during the off-season when demand for their services falls significantly.

(iv) Cyclical Unemployment: This occurs during periods of economic recession or depression when aggregate demand for goods and services declines. Businesses reduce production and dismiss workers to cut costs. Employment improves when the economy recovers and business activities expand once again.

(v) Disguised Unemployment: This occurs when more workers are engaged in a job than are actually required. Some workers contribute little or nothing to total output, and production remains unchanged even if they are withdrawn. It is common in subsistence farming and family businesses.

(vi) Voluntary Unemployment: This occurs when individuals are capable of working but choose not to accept available jobs. They may reject employment because of low wages, poor working conditions or personal preferences. Such unemployment results from personal decisions rather than the absence of employment opportunities.

(vii) Involuntary Unemployment: This occurs when people are willing and able to work at the prevailing wage rate but cannot secure employment. It is usually caused by insufficient job opportunities, low investment, economic downturns or government policies that reduce employment creation.

(viii) Technological Unemployment: This arises when machines, computers or automated systems replace human labour in production processes. Workers lose their jobs because technology performs tasks more efficiently. Unless they acquire new skills, they may remain unemployed for an extended period despite economic growth.

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(5a)
Supply is the quantity of a good or service that producers are willing and able to offer for sale at different prices during a given period of time, other factors remaining constant.

(5b)
(PICK ANY FIVE)
(i) Price of the Commodity: The price of a commodity directly influences the quantity demanded. When the price increases, consumers usually buy less because the product becomes more expensive. Conversely, when the price falls, consumers purchase more, provided other factors such as income and taste remain unchanged.

(ii) Consumers' Income: Changes in consumers' income affect their purchasing power. An increase in income generally leads to a rise in demand for normal goods, while a decrease reduces demand. However, as income rises, the demand for inferior goods may decline because consumers prefer better-quality alternatives.

(iii) Price of Related Goods: The prices of substitute and complementary goods influence demand. An increase in the price of a substitute raises demand for the commodity, while an increase in the price of a complementary good reduces demand because both goods are usually consumed together.

(iv) Taste and Fashion: Consumers' preferences, habits and fashion trends significantly influence demand. Goods that become fashionable or preferred experience increased demand, whereas products that lose popularity experience reduced demand. Advertising and changing lifestyles also play important roles in shaping consumers' tastes and preferences.

(v) Size of Population: The number of people living in a country or market affects demand for goods and services. A larger population creates more potential buyers and increases market demand. Conversely, a declining population reduces the number of consumers and lowers the overall demand for products.

(vi) Advertisement: Effective advertising creates awareness and persuades consumers to purchase goods and services. Attractive promotional campaigns can increase demand by informing buyers about the benefits and availability of products. Poor or inadequate advertising may reduce consumers' interest and overall market demand.

(vii) Expectations of Future Prices: Consumers' expectations about future price changes influence their current demand. If they expect prices to rise, they buy more immediately to avoid paying higher prices later. If they expect prices to fall, they postpone purchases, reducing present demand.

(viii) Government Policy: Government policies such as taxation, subsidies, import restrictions and price controls can affect demand. Higher taxes increase prices and reduce consumers' purchasing power, while subsidies and favourable policies make goods more affordable, thereby encouraging higher demand in the market.

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(6)
(PICK ANY FIVE)
(i) Poor Transportation Network: Bad roads, inadequate railway systems and poorly developed waterways make the movement of goods slow and expensive. Many products are damaged before reaching consumers, while transport delays increase distribution costs and reduce the efficiency of marketing activities across different parts of Nigeria.

(ii) Inadequate Storage Facilities: Nigeria lacks sufficient warehouses, silos and cold storage facilities for preserving goods. As a result, many agricultural and perishable products spoil before reaching consumers. This reduces supply, increases wastage, raises prices and lowers the income earned by producers and distributors.

(iii) High Cost of Transportation: Rising fuel prices, expensive vehicle maintenance and multiple transport levies significantly increase the cost of distributing goods. Producers and traders often transfer these costs to consumers through higher prices, making products less affordable and reducing the efficiency of the distribution system.

(iv) Insecurity: Armed robbery, kidnapping, terrorism, banditry and vandalism discourage the movement of goods across many parts of the country. Transporters face greater risks and incur additional security expenses. These challenges cause delays, increase costs, reduce market supplies and discourage business expansion.

(v) Poor Power Supply: Frequent electricity outages affect storage, preservation and processing of goods, especially perishable products. Businesses spend heavily on generators and fuel, increasing operating costs. This reduces distribution efficiency, causes product losses and eventually leads to higher prices for consumers throughout the country.

(vi) Multiple Taxation: Producers and distributors often pay numerous taxes, levies and illegal road charges imposed by different authorities. These additional costs increase the overall cost of distribution. Businesses transfer such expenses to consumers, resulting in higher prices and reduced competitiveness of locally produced goods.

(vii) Poor Communication System: Inadequate communication facilities make it difficult for producers, distributors and consumers to exchange timely market information. This leads to delays in placing orders, poor coordination of deliveries, inefficient marketing decisions and unnecessary distribution costs across various parts of the country.

(viii) Lack of Adequate Capital: Many wholesalers and distributors lack sufficient funds to purchase vehicles, build warehouses or maintain large inventories. Limited capital restricts their ability to distribute goods efficiently, expand operations or respond quickly to changes in market demand, thereby slowing the distribution process.

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(7a)
Localisation of industry is the concentration of industries producing similar or related goods in a particular geographical area. It occurs when firms are established close to one another to enjoy advantages such as shared facilities, skilled labour, raw materials and better market access.

(7b)
(PICK ANY FIVE)
(i) Availability of Limestone: Obajana has abundant deposits of high-quality limestone, the major raw material used in cement production. Establishing the factory close to this resource reduces transportation costs, ensures a continuous supply of raw materials and lowers the overall cost of production.

(ii) Good Transportation Network: The factory is connected to major roads linking different parts of Nigeria. This makes it easier to transport raw materials into the factory and distribute finished cement to various markets across the country, thereby reducing delays and transportation costs.

(iii) Availability of Land: Obajana has a large expanse of suitable land for industrial development. The availability of spacious land made it possible to establish a large cement plant with room for expansion, storage facilities and other supporting infrastructure needed for efficient production.

(iv) Availability of Labour: The area provides access to both skilled and unskilled workers required for cement production. In addition, workers can be recruited from nearby towns and neighbouring states. The availability of labour ensures smooth operations and reduces recruitment difficulties.

(v) Availability of Power Supply: Cement manufacturing requires a large amount of energy. The availability of electricity and alternative power sources in the area supports continuous production, reduces interruptions and improves the efficiency of manufacturing activities within the factory.

(vi) Large Market: Nigeria has a high demand for cement due to rapid urbanisation and infrastructural development. Locating the factory in Obajana enables Dangote Cement to supply different regions efficiently and meet the growing demand for cement nationwide.

(vii) Government Support: Government policies encouraging local manufacturing, tax incentives and infrastructural support contributed to the establishment of the factory in Obajana. These incentives reduced production costs and created a favourable environment for large-scale industrial investment.

(viii) Availability of Water: Cement production requires an adequate supply of water for processing, cooling and other industrial operations. The availability of reliable water sources in Obajana supports efficient production and contributes to the smooth operation of the factory.

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(8a)
A public corporation is a business enterprise established, owned and controlled by the government through an Act of Parliament or other legal authority to provide essential goods and services for the benefit of the public.

(8b)
(PICK ANY FIVE)
(i) Provision of Essential Services: Government ownership ensures that essential services such as electricity, water supply, transportation and healthcare are provided to the public even when they may not be highly profitable. This promotes national development and improves the standard of living of citizens.

(ii) Prevention of Monopoly Exploitation: Public corporations reduce the chances of private monopolies exploiting consumers through excessive prices or poor services. Government ownership helps regulate prices, improve service delivery and protect the interests of the general public.

(iii) Employment Generation: Public corporations create job opportunities for skilled and unskilled workers. By employing a large number of people, they help reduce unemployment, improve household incomes and contribute to the economic development of the country through increased productivity.

(iv) Balanced Regional Development: Government can establish public corporations in less-developed areas to promote industrial growth and reduce regional inequalities. This encourages economic activities, provides employment and stimulates infrastructural development in rural and disadvantaged regions.

(v) Economic Development: Public corporations undertake large-scale projects that require huge capital investments beyond the capacity of private individuals. Such investments promote industrialisation, increase national output and contribute significantly to the overall economic growth of the country.

(vi) National Security: Government ownership of strategic industries such as petroleum, electricity and defence-related enterprises protects national interests. It ensures that these vital sectors remain under public control and are operated in line with national objectives and security considerations.

(vii) Revenue Generation: Some public corporations generate profits that are paid into government revenue. The income earned can be used to finance public projects such as education, healthcare, roads and other developmental programmes that benefit the entire population.

(viii) Control of Strategic Industries: Government ownership enables the state to control industries that are vital to the economy. This helps prevent foreign domination, ensures proper regulation and promotes the achievement of national economic and social objectives.

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(9a)
Under-population is a situation where the population of a country or region is too small in relation to its available natural and economic resources, making it difficult to utilise those resources fully and efficiently.

(9b)
(PICK ANY FOUR)

(i) High Birth Rate: Many developing countries experience high birth rates because families prefer to have many children for economic, cultural and social reasons. Children are often regarded as sources of labour and support for parents in old age, thereby encouraging large family sizes.

(ii) Early Marriage: Early marriage exposes women to childbearing at a younger age and extends their reproductive period. This results in more births over a woman's lifetime, thereby increasing the overall population growth rate in many developing countries.

(iii) Decline in Death Rate: Improvements in healthcare, immunisation, sanitation and nutrition have reduced death rates, especially infant mortality. Since birth rates remain high while fewer people die, the population grows rapidly over time in many developing nations.

(iv) Poor Family Planning: Limited access to contraceptives, inadequate reproductive health services and poor awareness of family planning encourage large family sizes. Many couples continue to have more children than they can adequately cater for, resulting in rapid population growth.

(v) Religious and Cultural Beliefs: Certain religious teachings and cultural traditions encourage large families and discourage the use of contraceptives. These beliefs contribute to high fertility rates and sustained population growth in many developing countries.

(vi) Low Level of Education: Low educational attainment, particularly among women, reduces awareness of family planning and reproductive health. Educated individuals are more likely to delay marriage and have fewer children, while low literacy contributes to higher fertility rates.

(vii) Poverty: Poor families often have many children to assist with farming, trading and other income-generating activities. In addition, children are viewed as economic assets who can provide financial support to parents in old age.

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(10a)
A wholesaler is a middleman who buys goods in large quantities directly from producers and sells them in smaller quantities to retailers or other business users rather than to the final consumers.

(10b)
(PICK ANY FIVE)
(i) Breaking Bulk: Retailers purchase goods in large quantities from wholesalers and divide them into smaller units suitable for final consumers. This enables customers to buy only the quantities they need, making goods more accessible and affordable.

(ii) Provision of Goods to Consumers: Retailers make goods readily available at convenient locations close to consumers. They bridge the gap between wholesalers and final users, ensuring that products are easily accessible whenever consumers need them.

(iii) Storage of Goods: Retailers keep stocks of goods until consumers are ready to buy them. This ensures a regular supply of products, prevents shortages and enables consumers to obtain goods without waiting for fresh supplies from wholesalers.

(iv) Provision of Market Information: Retailers provide manufacturers and wholesalers with useful information about consumers' preferences, complaints and changes in demand. This feedback helps producers improve product quality and make better production and marketing decisions.

(v) Granting of Credit: Some retailers allow trustworthy customers to obtain goods on credit and pay later. This enables consumers to meet urgent needs despite temporary financial difficulties while helping retailers maintain customer loyalty.

(vi) Advertising and Promotion: Retailers promote products through attractive displays, demonstrations and local advertising. These promotional activities increase consumers' awareness of products, stimulate demand and help manufacturers reach a wider market.

(vii) Assumption of Risk: Retailers bear risks associated with theft, fire, spoilage, price fluctuations and damage to goods while they remain in stock. By assuming these risks, they help ensure a continuous supply of goods to consumers.

(viii) After-sales Services: Retailers provide services such as product installation, repairs, maintenance and handling customers' complaints. These services improve customer satisfaction, encourage repeat purchases and strengthen the relationship between retailers and consumers.

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(11)
(PICK ANY FOUR)
(i) Mechanisation of Agriculture: Farmers should adopt modern farm machinery such as tractors, harvesters and planters to increase efficiency. Mechanisation reduces dependence on manual labour, speeds up farming operations, increases cultivated land and improves overall agricultural productivity.

(ii) Provision of Credit Facilities: Farmers should have access to affordable loans through banks and government programmes. Adequate credit enables them to purchase improved seeds, fertilisers, machinery and other farm inputs required to increase agricultural production and income.

(iii) Improved Extension Services: Government should employ more agricultural extension officers to educate farmers on modern farming techniques, pest control and efficient resource management. This improves farmers' knowledge, increases yields and encourages the adoption of improved agricultural technologies.

(iv) Use of Improved Farm Inputs: Farmers should use high-yielding seeds, fertilisers, herbicides and pesticides to improve crop production. These modern inputs increase farm output, reduce losses from pests and diseases and improve the quality of agricultural produce.

(v) Development of Irrigation: Irrigation facilities should be expanded to enable farming throughout the year instead of relying only on rainfall. This increases crop production, reduces the effects of drought and ensures a stable supply of agricultural products.

(vi) Improvement of Rural Infrastructure: Government should construct good rural roads, provide electricity, storage facilities and water supply. Better infrastructure reduces post-harvest losses, lowers transportation costs and improves farmers' access to markets and production inputs.

(vii) Land Reform: Government should simplify land ownership and acquisition systems to enable farmers obtain adequate farmland. Easy access to land encourages large-scale farming, investment and improved agricultural productivity.

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(12a)
Unemployment is a situation in which people who are willing, able and actively seeking work at the prevailing wage rate are unable to secure gainful employment.

(12b)
(PICK ANY FOUR)
(i) Poor Remuneration: Many professionals leave Nigeria because salaries and allowances are low compared to what is obtainable in developed countries. Better earnings abroad attract skilled workers, resulting in the migration of qualified professionals from the country.

(ii) Poor Working Conditions: Inadequate equipment, obsolete facilities, poor infrastructure and unfavourable working environments discourage professionals from remaining in Nigeria. Many seek countries where they can work with modern facilities and better career satisfaction.

(iii) Insecurity: Rising cases of terrorism, kidnapping, banditry and other forms of violence have forced many skilled workers to relocate abroad. They seek safer environments where they can work, raise their families and pursue their careers without constant security threats.

(iv) Better Career Opportunities Abroad: Developed countries offer more opportunities for training, promotion, research and professional development. These attractive opportunities encourage highly skilled Nigerians to migrate in search of career advancement and international recognition.

(v) Political and Economic Instability: Frequent policy changes, economic uncertainty and poor governance discourage professionals from remaining in Nigeria. Many migrate to countries with stable political systems and stronger economies that provide greater job security.

(vi) High Unemployment: Limited employment opportunities for graduates and professionals force many skilled Nigerians to seek jobs abroad. The inability to secure suitable employment locally contributes significantly to the continuous migration of qualified manpower.

(vii) Poor Research Facilities: Universities, hospitals and research institutions often lack adequate funding and modern equipment. Researchers, lecturers and medical professionals move abroad to environments where they can conduct quality research and advance their professions effectively.