PAPER II

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

SECTION A

1. The data below shows a hypothetical age distribution of population of a town in Nigeria.

Table 2.1

	Age in years				
Sex	10 and below	11 – 17	18 – 35	36 – 64	65 and above
Male	1350	2275	1135	Y	3250
Female	2650	2725	1365	4265	Z
Total	4000	X	2500	7500	6000

(a) From the **Table 2.1**, calculate:

i. X, Y and Z **(3 marks)**
ii. The total population of the town **(2 marks)**
iii. The difference between male and female population **(3 marks)**
iv. The percentage of the population age 17 and below **(3 marks)**
v. The dependency ratio **(4 marks)**
vi. The percentage of the working population **(3 marks)**

(b) State **two** economic implications of the dependent population. **(2 marks)**

2. Table 2.2 represents Mr. Adebowale's annual income and the quantity of garri demanded.

Table 2.2.

Year	Annual Income	Quantity Demanded (Garri per measure)
2021	₦120,000	50
2022	₦200,000	40

(a) From **Table 2.2**, Calculate:

i. co-efficient of income. **(10 marks)**
ii. what type of goods is garri to Mr. Adebowale **(2 marks)**

(b) Briefly explain four factors affecting elasticity of supply. **(8 marks)**

SECTION B

3. (a) Define Marketing Board. (5 marks)
   (b) Discuss **three** functions of Marketing Board. (15 marks)

4. Discuss **five** factors militating against rapid Industrialisation in Nigeria. (20 marks)

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

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

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

8. (a) Define Inflation. (5 marks)
   (b) Discuss **three** ways by which Nigerian government can control deflation. (15 marks)

9. (a) What is Brain Drain? (5 marks)
   (b) Discuss **three** ways Brain Drain can be controlled in Nigeria. (15 marks)

10. (a) What is opportunity cost? (5 marks)
    (b) Explain the relevance of opportunity cost to
        i. individual.
        ii. firm.
        iii. government. (15 marks)

11. (a) Explain any **three** differences between public and private limited companies. (12 marks)
    (a) Write short notes on the following:
        i. Article of Association
        ii. Memorandum of Association (8 marks)

12. (a) Define labour force? (4 marks)
    (b) Explain any four factors affecting the demand for labour. (16 marks)

(1)

QUESTION 1

(a) (i) $X = 2275 + 2725 = 5000$

$Y = 7500 - 4265 = 3235$

$Z = 6000 - 3250 = 2750$

(ii) Total population of town

$= 4000 + X + 2500 + 7500 + 6000$

$= 4000 + 5000 + 2500 + 7500 + 6000$

$= 25,000$

(iii) Difference between male and female population

Total no of males $= 1350 + 2275 + 1135 + Y + 3250$

$= 1350 + 2275 + 1135 + 3235 + 3250$

$= 11245$

Total no of females $= 2650 + 2725 + 1365 + 4265 + Z$

$= 2650 + 2725 + 1365 + 4265 + 2750$

$= 13755$

Difference $= 13755 - 11245 = 2510$

(iv) % of population (17 and below) $= \frac{4000 + X}{25000} \times 100\%$

$= \frac{4000 + 5000}{25,000} \times 100\%$

$= 0.36 \times 100\%$

$= 36\%$

QUESTION 1 contd-

(a)(v) dependency ratio $= \dfrac{[\text{Age 17 and below}] + [\text{Age 65 and above}]}{[\text{Age 18-35}] + [\text{Age 36-64}]}$

$$= \frac{[4000 + x] + [6000]}{2500 + 7500}$$

$$= \frac{[4000 + 5000] + 6000}{10000}$$

$$= \frac{15000}{10000} = 3 : 2$$

Tiwahfe solution team

(vi.) working population $= [18\text{–}35 \text{ years}] + [36\text{–}64 \text{ years}]$

$$= 2500 + 7500$$

$$= 10000$$

% of working population $= \dfrac{10000}{25000} \times 100\% = 40\%$

(b)
- The larger the group of dependants, the greater the expenditure on health services and others by the government.
- A high level of dependants reduces savings and income per capital is generally low and this leads to a low standard of living.

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(3a)
Marketing Board: A marketing board is a government-established organization responsible for buying, grading, storing, transporting, processing, and selling agricultural produce on behalf of farmers. It regulates the marketing of agricultural products, ensures stable prices, protects farmers from exploitation by middlemen, and promotes both local and international trade in agricultural commodities.

(3b)
(PICK ANY FIVE)
(i) Purchase of Agricultural Produce: One of the major functions of a marketing board is to purchase agricultural produce directly from farmers at officially approved prices. This guarantees farmers a ready market for their products, protects them from exploitation by middlemen, and encourages increased agricultural production.
(ii) Stabilization of Prices: The marketing board helps to stabilize the prices of agricultural commodities by preventing excessive fluctuations in market prices. It ensures that farmers receive fair prices for their produce while consumers are protected from unnecessary increases in the prices of agricultural goods.
(iii) Storage of Agricultural Produce: Marketing boards provide modern storage facilities such as warehouses and silos for agricultural products. Proper storage reduces spoilage, maintains the quality of produce, minimizes post-harvest losses, and ensures the availability of commodities throughout the year.
(iv) Grading and Standardization of Produce: The marketing board inspects, grades, and standardizes agricultural products according to established quality standards. This improves the quality of goods supplied to both local and international markets and increases the confidence of buyers in Nigerian agricultural products.
(v) Transportation and Distribution of Produce: The marketing board organizes the transportation of agricultural products from farms to storage centres, processing plants, and markets. Efficient transportation reduces wastage, lowers distribution costs, and ensures that products reach consumers on time.

(vi) Promotion of Export Trade: The marketing board promotes the export of agricultural commodities by identifying foreign markets, ensuring that products meet international quality standards, and negotiating favourable prices. This increases the country's foreign exchange earnings and strengthens the national economy.

(vii) Provision of Market Information: The marketing board collects and provides information on market prices, demand, supply, and marketing opportunities to farmers. This enables producers to make informed decisions regarding production, pricing, and the best time to sell their agricultural products.

(viii) Protection of Farmers' Interests: The marketing board protects farmers from unfair trade practices and exploitation by middlemen. It ensures that producers receive fair returns for their produce, improves farmers' income, encourages investment in agriculture, and contributes to rural and national economic development.

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(4)

(PICK ANY FIVE)

(i) Inadequate Capital: One of the major factors militating against rapid industrialisation in Nigeria is the shortage of capital required to establish and expand industries. Setting up industries requires huge financial resources for purchasing land, machinery, raw materials, and employing skilled workers. However, many entrepreneurs find it difficult to obtain loans because of high interest rates and strict lending conditions. As a result, many industries operate below capacity or fail to expand, thereby slowing industrial development.

(ii) Poor Power Supply: The irregular supply of electricity has greatly hindered industrial growth in Nigeria. Most industries depend on generators due to frequent power outages, leading to high production costs. The high cost of generating electricity reduces profits, discourages investment, and makes locally produced goods more expensive than imported products.

(iii) Poor Transportation Network: The poor state of roads, railways, waterways, and port facilities has negatively affected industrialisation in

Nigeria. Bad transportation systems make it difficult to move raw materials to factories and distribute finished products to markets. This increases transportation costs, causes delays in production, and reduces the efficiency of industries.

(iv) Inadequate Supply of Raw Materials: Many industries experience shortages of locally available raw materials due to poor agricultural production, inadequate mining activities, and overdependence on imported inputs. This shortage increases production costs, leads to low industrial output, and prevents industries from operating at full capacity.

(v) Shortage of Skilled Manpower: Industrial development depends on the availability of qualified engineers, technicians, scientists, managers, and other skilled workers. Nigeria faces a shortage of adequately trained manpower because of weaknesses in the educational and vocational training systems. This reduces productivity, limits technological advancement, and slows industrial growth.

(vi) Inconsistent Government Policies: Frequent changes in government policies relating to taxation, import duties, foreign exchange, industrial regulations, and investment discourage both local and foreign investors. Policy inconsistency creates uncertainty in the business environment, making investors reluctant to commit funds to long-term industrial projects.

(vii) Corruption and Poor Governance: Corruption has seriously affected industrial development in Nigeria. Public funds meant for industrial development and infrastructure are often mismanaged or diverted. Bribery, embezzlement, bureaucratic delays, and lack of transparency increase the cost of doing business and discourage both local and foreign investments.

(viii) Inadequate Infrastructure: The lack of essential infrastructure such as good roads, reliable electricity, clean water supply, communication facilities, and efficient seaports has slowed industrialisation in Nigeria. Industries depend on these basic facilities for smooth operations, and their absence increases production costs, reduces efficiency, and discourages industrial expansion.

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(5a)
A public corporation is a business organization established, owned, financed, and controlled by the government through an Act of Parliament or legislation to provide essential goods and services for the benefit of the public rather than for the primary purpose of making profit. It possesses a separate legal identity and is managed by a board appointed by the government.

(5b)
(PICK ANY FIVE)
(i) Provision of Essential Services: Government ownership of public corporations ensures the provision of essential services such as electricity, water supply, transportation, healthcare, and communication to the public. These services are provided even when they are not highly profitable because the main objective is to promote public welfare and national development.
(ii) Promotion of Economic Development: Public corporations contribute significantly to national economic growth by establishing industries, creating infrastructure, increasing production, and supporting strategic sectors of the economy. Their activities encourage industrialisation and improve the country's productive capacity.
(iii) Employment Generation: Government-owned corporations provide employment opportunities for a large number of people, including skilled, semi-skilled, and unskilled workers. This helps to reduce unemployment, improve household incomes, and raise the standard of living of the population.
(iv) Prevention of Exploitation by Private Monopolies: Public corporations help to protect consumers from exploitation by private monopolies. By providing essential goods and services at reasonable prices, they prevent private firms from charging excessive prices or restricting supply for the purpose of making abnormal profits.
(v) Balanced Regional Development: Government-owned corporations are often established in different parts of the country, including rural and less-developed areas. This promotes balanced regional development by

creating employment opportunities, improving infrastructure, and reducing rural-urban migration.
(vi) Promotion of Social Welfare: Unlike private enterprises whose major objective is profit maximization, public corporations are established mainly to improve the welfare of the citizens. They provide affordable goods and services, support national development programmes, and improve the quality of life of the people.
(vii) Generation of Government Revenue: Although profit may not be the primary objective, successful public corporations generate revenue for the government through profits, dividends, service charges, and taxes. These revenues can be used to finance development projects and provide other social services.
(viii) Control of Strategic Industries: Government ownership allows the state to control industries that are vital to national security and economic stability, such as petroleum, electricity, rail transport, defence, and water resources. This ensures that these strategic sectors operate in the national interest and contribute to sustainable economic development.

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(6a)
Under-population is a situation where the number of people living in a country or region is too small compared with the available natural and economic resources. As a result, the available resources are not fully utilized because there are not enough people to exploit them effectively. This often leads to low productivity, underutilization of resources, shortage of labour, and slow economic development.

(6b)
(PICK ANY FOUR)
(i) High Birth Rate: One of the major reasons for rapid population growth in developing countries is the high birth rate. Many families give birth to a large number of children because of cultural beliefs, the desire for large families, and the need for children to assist in farming and other economic

activities. This continuous increase in births contributes significantly to population growth.

(ii) Early Marriage: Early marriage is common in many developing countries, especially in rural areas. People who marry at a young age have a longer reproductive period, which increases the likelihood of having many children. This contributes greatly to the rapid growth of the population.

(iii) Decline in Death Rate: Improvements in healthcare services, better medical facilities, vaccination programmes, improved nutrition, and access to clean water have reduced the death rate in many developing countries. As more people survive and live longer, the population continues to increase rapidly.

(iv) Poor Family Planning Practices: Many people in developing countries have little knowledge of family planning methods or lack access to contraceptives. In some cases, religious and cultural beliefs discourage the use of birth control methods. This results in large family sizes and a high rate of population growth.

(v) Low Level of Education: Low literacy levels, especially among women, contribute to rapid population growth. Educated individuals are more likely to understand the benefits of family planning and smaller family sizes, while those with little or no education often have more children due to ignorance and traditional beliefs.

(vi) Cultural and Religious Beliefs: In many developing countries, cultural traditions and religious beliefs encourage large families. Some communities regard having many children as a sign of wealth, prestige, strength, or divine blessing. These beliefs discourage birth control and contribute to high population growth.

(vii) Improved Healthcare Services: The expansion of healthcare facilities, immunization programmes, improved maternal and child healthcare, and better treatment of diseases have reduced infant and maternal mortality. As more children survive into adulthood, the population continues to grow steadily.

(viii) High Demand for Labour in Agriculture: In many developing countries, agriculture remains the major occupation, and family labour is highly valued. Parents often have many children to provide labour for farming and other family businesses. This desire for additional labour encourages large family sizes and contributes to rapid population growth.

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(7a)
A wholesaler is a middleman who buys goods in large quantities directly from manufacturers or producers and sells them in smaller quantities to retailers rather than to the final consumers. The wholesaler serves as a link between producers and retailers by facilitating the distribution of goods.

(7b)
(PICK ANY FIVE)
(i) Breaking Bulk: One of the major functions of a retailer is to buy goods in relatively large quantities from wholesalers and sell them in small quantities to consumers according to their individual needs. This enables consumers to purchase only the quantity they require without having to buy in bulk.
(ii) Provision of Goods to Final Consumers: A retailer makes goods readily available to the final consumers at convenient locations. By operating shops in different communities, retailers ensure that consumers can easily obtain the goods and services they need without travelling long distances.
(iii) Storage of Goods: Retailers store goods until they are needed by consumers. They maintain adequate stock in their shops, ensuring that products are always available. This helps to prevent shortages and ensures a continuous supply of goods in the market.
(iv) Provision of Market Information: Retailers provide valuable information to manufacturers and wholesalers regarding consumers' tastes, preferences, complaints, and changes in demand. This information helps producers to improve the quality of their products and adjust production to meet consumers' needs.
(v) Granting Credit Facilities: Many retailers allow trusted customers to buy goods on credit and pay at a later date. This enables consumers who may not have enough cash at the time of purchase to obtain essential goods, thereby improving customer satisfaction and increasing sales.

(vi) Assumption of Business Risks: Retailers bear various business risks such as theft, fire, spoilage, damage, changes in consumer tastes, and fluctuations in prices. They accept these risks as part of their business activities while ensuring that goods remain available to consumers.
(vii) Promotion of Sales: Retailers promote the sale of goods through advertising, attractive display of products, demonstrations, discounts, after-sales services, and good customer relations. These promotional activities encourage consumers to purchase more goods and increase business turnover.
(viii) Provision of After-Sales Services: Retailers provide after-sales services such as product installation, repairs, maintenance, replacement of defective goods, warranties, and customer support. These services improve customer satisfaction, encourage repeat purchases, and help build long-term relationships between retailers and consumers.

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(8a)
Inflation is a persistent and continuous increase in the general price level of goods and services in an economy over a period of time, resulting in a fall in the purchasing power of money. During inflation, consumers require more money to buy the same quantity of goods and services they previously purchased at lower prices.

(8b)
(PICK ANY THREE)
(i) Increase Government Expenditure: The government can control deflation by increasing its spending on public projects such as roads, schools, hospitals, and other infrastructure. This creates employment opportunities, increases people's income, raises demand for goods and services, and stimulates economic activities.
(ii) Reduction in Taxation: The government can reduce personal and business taxes to increase the disposable income of individuals and firms. When people have more money to spend, consumption and investment increase, thereby reducing the effects of deflation.

(iii) Reduction in Interest Rates: The Central Bank can reduce interest rates to encourage individuals and businesses to borrow money for consumption and investment. Increased borrowing leads to higher spending, increased production, and economic growth.
(iv) Increase in Money Supply: The Central Bank can increase the supply of money in circulation through appropriate monetary policies. A higher money supply encourages spending and investment, increases aggregate demand, and helps to reverse deflation.
(v) Encourage Private Investment: The government can provide incentives such as tax holidays, subsidies, and low-interest loans to encourage private investors to establish and expand businesses. Increased investment creates jobs, raises income, and boosts demand in the economy.
(vi) Increase Workers' Wages and Salaries: The government can increase the minimum wage and improve workers' salaries. Higher incomes increase consumers' purchasing power, leading to greater demand for goods and services and helping to reduce deflation.
(vii) Promote Export Trade: The government can encourage the export of locally produced goods by providing incentives to exporters and improving trade policies. Increased exports raise production, create employment, generate income, and increase economic activities.
(viii) Provide Subsidies to Producers: The government can provide financial assistance and subsidies to producers to reduce production costs and encourage increased production and investment. This stimulates business activities, creates employment, increases income, and helps the economy recover from deflation.

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(9a)
Brain drain is the migration of highly skilled, educated, and professionally trained individuals from their home country to another country in search of better employment opportunities, higher salaries, improved working conditions, better living standards, and greater career prospects. It results in the loss of valuable human resources needed for national development
(9b)

(PICK ANY THREE)

(i) Improvement of Workers' Salaries and Allowances: The government should improve the salaries, wages, and allowances of professionals such as doctors, engineers, lecturers, nurses, and scientists. Better remuneration will motivate skilled workers to remain in Nigeria instead of seeking better-paying jobs abroad.

(ii) Provision of Better Working Conditions: The government should provide modern equipment, adequate facilities, safe working environments, and sufficient resources to enable professionals to perform their duties effectively. Good working conditions increase job satisfaction and reduce the desire to migrate.

(iii) Creation of More Employment Opportunities: The government should establish policies that encourage industrialization, entrepreneurship, and private sector development to create more jobs for skilled workers. Adequate employment opportunities reduce unemployment and discourage professionals from leaving the country.

(iv) Political Stability and Good Governance: A stable political environment, transparency, accountability, and good governance encourage professionals to remain in the country. Political instability, insecurity, and poor leadership often force skilled workers to seek better opportunities abroad.

(v) Investment in Education and Research: The government should invest more in educational institutions, research centres, laboratories, libraries, and modern learning facilities. Adequate funding of education and research provides professionals with opportunities for innovation, career development, and academic advancement within the country.

(vi) Improvement in Security: The government should strengthen security by tackling terrorism, kidnapping, armed robbery, banditry, and other forms of insecurity. A peaceful and secure environment encourages skilled workers to live and work in Nigeria without fear for their lives and property.

(vii) Provision of Incentives and Career Development Opportunities: Government and private employers should provide promotions, scholarships, professional training, housing schemes, health insurance, and other incentives to motivate professionals. Opportunities for career advancement reduce the attraction of relocating to foreign countries.

(viii) Improvement of Social and Economic Infrastructure: The government should provide reliable electricity, good roads, quality healthcare, clean water supply, efficient transportation, and other basic social amenities. Improved infrastructure enhances the quality of life, supports economic growth, and encourages skilled professionals to remain and contribute to Nigeria's development.

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(10a)
Opportunity cost is the value of the next best alternative that is forgone or sacrificed when a choice is made among several competing alternatives. It arises because resources are scarce and cannot be used for more than one purpose at the same time. Therefore, whenever an individual, firm, or government chooses one option, the benefits of the next best alternative given up become the opportunity cost.

(10bi)
Opportunity cost is important to an individual because it helps in making wise economic decisions whenever resources such as income and time are limited. It enables individuals to compare different alternatives before making a choice and ensures that limited resources are used for the most important needs. It also helps people to set priorities, avoid unnecessary spending, and make better decisions regarding saving, investment, and consumption.

(10bii)
Opportunity cost is important to a firm because it helps management to allocate scarce resources efficiently among different production activities. It enables firms to compare the expected benefits of various investment opportunities and select the most profitable one. Opportunity cost also assists firms in deciding what goods to produce, the quantity to produce, and the best way to utilize labour, capital, raw materials, and machinery to maximize profits and minimize losses.

(10biii)
Opportunity cost is important to the government because it helps in the proper allocation of scarce public resources among competing sectors of the economy. Since government funds are limited, opportunity cost enables the government to decide whether to spend more on education, healthcare, agriculture, defence, transportation, or other development projects. It also promotes efficient use of public funds, proper planning, and the implementation of policies that will provide the greatest benefits to the economy and improve the standard of living of the citizens.

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(11a)
(PICK ANY THREE)
(i) A public limited company can invite the general public to buy its shares, while a private limited company cannot invite the general public to subscribe to its shares.
(ii) A public limited company has no restriction on the transfer of shares, while a private limited company restricts the transfer of shares.
(iii) A public limited company requires a minimum of seven members to be formed, while a private limited company requires a minimum of two members.
(iv) A public limited company can be listed on the stock exchange, while a private limited company cannot be listed on the stock exchange.
(v) A public limited company usually has a large amount of capital because it can raise funds from the public, while a private limited company has limited sources of capital since it cannot sell shares to the public.
(vi) A public limited company is required by law to publish its financial statements for public inspection, while a private limited company is not required to publish its financial statements publicly.
(vii) A public limited company usually has a larger number of shareholders, while a private limited company has a limited number of shareholders.
(viii) A public limited company is subject to stricter government regulations and legal requirements, while a private limited company operates under fewer legal formalities and government regulations.

(11bi)
Articles of Association: The Articles of Association is a legal document that contains the internal rules and regulations governing the management and administration of a company. It defines the rights, duties, and powers of directors, shareholders, and company officers, as well as the procedures for conducting meetings, issuing shares, declaring dividends, and managing the day-to-day affairs of the company.

(11bii)
Memorandum of Association: The Memorandum of Association is the principal legal document that establishes a company and defines its relationship with the outside world. It states the company's name, registered office, objectives, authorized share capital, liability of members, and the scope of the company's business activities. It serves as the company's constitution and specifies the limits within which the company is permitted to operate.

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(12a)
Labour force refers to the total number of people of working age in a country who are willing and able to work for wages or salaries. It includes both the employed and the unemployed who are actively seeking employment. The labour force represents the economically active population that contributes to the production of goods and services.

(12b)
(PICK ANY FOUR)
(i) Demand for Goods and Services: The demand for labour depends largely on the demand for the goods and services produced by firms. When consumers demand more goods and services, producers increase production and employ more workers. Conversely, a fall in demand for goods reduces production and the demand for labour.

(ii) Wage Rate: The level of wages paid to workers affects the demand for labour. High wage rates increase the cost of production, causing employers to reduce the number of workers they employ. Low wage rates reduce production costs and encourage employers to hire more workers.
(iii) Level of Technology: Technological advancement can influence the demand for labour. The introduction of modern machines and automation may reduce the demand for unskilled labour because machines can perform many tasks previously done by humans. However, it may increase the demand for skilled workers who can operate and maintain the machines.
(iv) Productivity of Labour: Employers are more willing to employ workers who are highly productive because they contribute more to the output and profitability of the business. Improved productivity through education, training, and experience increases the demand for labour.
(v) Availability of Capital: The availability of capital affects the ability of firms to employ workers. Firms with adequate financial resources can purchase machinery, expand production, and employ more labour, while firms with limited capital may reduce employment.
(vi) Government Policies: Government policies such as minimum wage legislation, taxation, labour laws, industrial regulations, and employment programmes influence the demand for labour. Policies that encourage business growth and investment increase employment opportunities, while restrictive policies may reduce labour demand.
(vii) Size and Level of Business Activities: As businesses expand their operations and production increases, more workers are required to handle the additional workload. During periods of economic growth and business expansion, the demand for labour rises, while economic recession reduces the demand for workers.
(viii) Cost of Other Factors of Production: The prices of other factors of production such as machinery, raw materials, and capital also affect the demand for labour. If machinery becomes more expensive, firms may employ more workers instead of purchasing machines. Conversely, cheaper machinery may encourage firms to replace labour with machines, reducing the demand for labour.