PAPER II

SECTION A

Answer only **one** question from this section.

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

Table 2.1

Sex	**Age in years**				
	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** shows quantity of goods supplied at different prices.

Table 2.2

Goods	**Prices of goods**	**Quantity supplied**
A	5	10
B	10	25
C	15	40
D	20	60
E	25	75
F	30	80

(a) From **Table 2.2**, calculate the elasticity of supply between these points:
i. A and B **(5 marks)**
ii. D and E **(5 marks)**

(b) State the nature of elasticity in (a)i above. **(2 marks)**
(c) Briefly explain any **four** types of elasticity of demand. **(8 marks)**

SECTION B

Answer **four** questions only from this section.

3. (a) What is Division of Labour? **(5 marks)**
   (b) Spell out **five** advantages of specialization. **(15 marks)**

4. (a) Define Efficiency of Labour. **(4 marks)**
   (b) Explain **four** ways in which Efficiency of Labour can be improved. **(16 marks)**

5. (a) What is Population Census? **(5 marks)**
   (b) Expatiate on **five** factors that determine population size of a country. **(15 marks)**

6. Discuss **five** ways Agriculture contributes to industrial development in Nigeria. **(20 marks)**

7. (a) Distinguish between Mortgage and Development banks. **(5 marks)**
   (b) Expound on **four** functions of a commercial bank. **(15 marks)**

8. (a) Define free market economy. **(4 marks)**
   (b) Explain **four** features of a socialist economic system. **(16 marks)**

9. (a) What is Unemployment? **(4 marks)**
   (b) State and explain **four** causes of unemployment in Nigeria. **(16 marks)**

10. (a) Distinguish between Perfect and Imperfect Market. **(4 marks)**
    (b) Explain **four** conditions necessary for a perfect market. **(16 marks)**

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

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

(1)

Type D

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) $= \frac{4000 + X}{25000} \times 100\%$

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

$= 0.36 \times 100\%$

$= 36\%$

Type D

QUESTION 1 Contd-

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

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

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

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

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

$= 2500 + 7500$

$= 10000$

% 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)
Division of labour is the process of breaking down the production of goods or services into different tasks, with each worker specializing in performing a particular task according to his or her skills and ability. This increases efficiency, saves time, and improves productivity.

(3b)
(PICK ANY FIVE)

(i) Increases Productivity: Specialization enables workers to perform the same task repeatedly, making them more skilled and efficient. As a result, production increases within a shorter period of time.
(ii) Saves Time: Since each worker concentrates on one particular task, there is no time wasted moving from one job to another. This leads to faster production and greater efficiency.
(iii) Improves Skill and Efficiency: Repetition of the same task enables workers to gain experience and improve their skills. Increased expertise leads to better performance and higher-quality output.
(iv) Encourages the Use of Machinery: Specialization makes it easier for industries to introduce modern machines and technology designed for specific tasks. This increases production capacity and reduces production costs.
(v) Improves Quality of Goods: Workers who specialize in particular tasks produce goods of higher quality because they become experts in their areas of specialization. This increases customer satisfaction and demand for the products.
(vi) Reduces Cost of Production: Specialization reduces waste of time and materials, improves efficiency, and increases output. As a result, the average cost of production decreases, allowing firms to earn higher profits.
(vii) Promotes Innovation and Invention: Workers who specialize in a particular field are more likely to develop new ideas, improve production methods, and invent better tools and equipment. This encourages technological advancement and industrial growth.
(viii) Increases Employment Opportunities: As industries expand through specialization, more workers are required to perform different specialized tasks. This creates additional employment opportunities, reduces unemployment, and contributes to economic growth.

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(4a)
Efficiency of labour refers to the ability of a worker to produce the maximum quantity and quality of goods or services within a given period of time using

the available resources. An efficient worker produces more output with less waste of time, effort, and materials.

(4b)
(PICK ANY FOUR)
(i) Provision of Education and Training: Workers should be given proper education, vocational training, and regular skill development programmes. Education and training improve workers' knowledge, competence, and productivity, enabling them to perform their duties more efficiently.
(ii) Payment of Good Wages and Salaries: Paying workers attractive wages and salaries motivates them to work harder and remain committed to their jobs. Good remuneration improves workers' morale, reduces absenteeism, and increases productivity.
(iii) Improvement in Working Conditions: Employers should provide safe, clean, and healthy working environments with adequate lighting, ventilation, and safety equipment. Good working conditions reduce accidents and improve workers' efficiency and job satisfaction.
(iv) Provision of Modern Tools and Machinery: The use of modern machines, equipment, and technology enables workers to perform their tasks more quickly and accurately. Modern production facilities reduce physical effort, increase output, and improve the quality of goods and services.
(v) Good Health Care Services: Employers should provide medical care, health insurance, and regular medical check-ups for workers. Healthy workers are more energetic, experience fewer illnesses, and are able to work more efficiently than unhealthy workers.
(vi) Motivation and Incentives: Workers should be motivated through bonuses, promotions, awards, housing allowances, transport allowances, pensions, and other welfare benefits. These incentives encourage employees to work harder and improve their productivity.
(vii) Adequate Nutrition and Balanced Diet: Workers who consume nutritious food are generally healthier, stronger, and more energetic. Proper nutrition improves physical strength, mental alertness, and overall work performance, thereby increasing labour efficiency.

(viii) Specialisation and Division of Labour: Assigning workers to specific tasks according to their skills and abilities enables them to gain experience and become experts in their jobs. This reduces time wastage, increases speed and accuracy, and improves overall productivity.

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(5a)
Population census is the official process of collecting, compiling, analyzing, and publishing information about the total number of people living in a country or a particular area at a specific point in time. It provides information on the size, distribution, age, sex, occupation, and other characteristics of the population for planning and development purposes.

(5b)
(PICK ANY FIVE)
(i) Birth Rate: Birth rate is one of the major factors that determine the population size of a country. A high birth rate increases the population because more children are born, while a low birth rate slows population growth.
(ii) Death Rate: The death rate also affects population size. A high death rate reduces the population, whereas a low death rate increases population because more people survive for longer periods.
(iii) Immigration: Immigration refers to the movement of people into a country from other countries. A high level of immigration increases the population size by adding more people to the country's population.
(iv) Emigration: Emigration is the movement of people out of a country to live permanently in another country. High emigration reduces the population because many people leave the country.
(v) Availability of Employment Opportunities: Countries with abundant employment opportunities attract more people from other places, thereby increasing the population. On the other hand, unemployment encourages people to migrate to other countries, reducing the population.
(vi) Availability of Social Amenities: The availability of good schools, hospitals, roads, electricity, water supply, and other social amenities

attracts people to live in a particular country or region. Areas with adequate social amenities usually experience population growth.
(vii) Political Stability and Security: A peaceful and politically stable country attracts immigrants and encourages citizens to remain, leading to an increase in population. Political instability, war, and insecurity often force people to migrate, thereby reducing population size.
(viii) Health Care Services: The availability of modern healthcare services, immunization programmes, good sanitation, and adequate medical facilities reduces the death rate and increases life expectancy. This contributes to an increase in the population size of a country.

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(6)
(PICK ANY EIGHT)
(i) Provision of Raw Materials: Agriculture supplies essential raw materials needed by many industries for production. Crops such as cotton, cocoa, rubber, oil palm, sugarcane, timber, and cassava serve as raw materials for textile, food processing, paper, pharmaceutical, furniture, and beverage industries. The availability of these raw materials encourages the establishment and growth of industries.
(ii) Employment Generation: Agriculture provides employment opportunities for millions of Nigerians in farming, livestock production, fishing, forestry, processing, transportation, and marketing of agricultural products. This creates income for individuals, reduces unemployment, and provides a steady labour force for agro-based industries.
(iii) Source of Capital for Industrial Development: Income generated from agricultural activities provides funds that can be invested in establishing industries. Farmers, agricultural cooperatives, and government earn revenue from agriculture, which can be used to finance industrial projects and expand manufacturing activities.
(iv) Provision of Food for Industrial Workers: Agriculture supplies food for workers employed in industries. A well-fed and healthy workforce is more productive and efficient, thereby improving industrial output. Continuous

food production also helps maintain a stable labour force for industrial development.
(v) Generation of Foreign Exchange: The export of agricultural products such as cocoa, rubber, sesame seeds, cashew nuts, ginger, and palm produce earns foreign exchange for Nigeria. The foreign exchange generated is used to import industrial machinery, equipment, spare parts, and modern technology needed for industrial growth.
(vi) Creation of Market for Industrial Goods: Farmers and rural dwellers create a large market for industrial products such as fertilizers, tractors, pesticides, farm tools, irrigation equipment, building materials, clothing, household goods, and processed foods. This increased demand encourages industries to expand production and establish more factories.
(vii) Promotion of Agro-Based Industries: Agriculture encourages the establishment of industries that process agricultural products into finished goods. Examples include flour mills, rice mills, vegetable oil factories, fruit juice industries, breweries, textile industries, dairy industries, and paper mills. These industries create employment, add value to agricultural products, and promote economic development.
(viii) Contribution to National Economic Growth: Agriculture contributes significantly to Nigeria's Gross Domestic Product (GDP) and provides a strong foundation for industrialisation. A productive agricultural sector increases national income, stimulates investment, supports rural development, and creates a favourable environment for the growth and expansion of industries throughout the country.

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(7a)
A mortgage bank is a financial institution that provides long-term loans mainly for the purchase, construction, or renovation of houses and other landed properties, while a development bank is a financial institution established to provide long-term loans and financial assistance for agriculture, industry, commerce, and other developmental projects aimed at promoting economic growth.

(7b)
(PICK ANY FOUR)
(i) Acceptance of Deposits: One of the major functions of a commercial bank is to accept deposits from individuals, businesses, and government institutions. Customers can save their money in current, savings, or fixed deposit accounts. These deposits provide security for customers' funds and also serve as a source of funds for the bank's lending activities.
(ii) Granting of Loans and Advances: Commercial banks provide loans, overdrafts, and other credit facilities to individuals, businesses, and government agencies. These loans help to finance business expansion, agricultural production, industrial activities, and personal needs, thereby promoting economic growth and development.
(iii) Safe Custody of Valuables: Commercial banks provide safe custody services by keeping customers' valuable items such as important documents, jewellery, certificates, wills, and other precious belongings in secure vaults. This protects customers' valuables against theft, fire, and loss.
(iv) Facilitation of Payments: Commercial banks make it easy for customers to carry out financial transactions through cheques, bank drafts, standing orders, electronic transfers, debit cards, and other modern payment systems. These services promote smooth business transactions and reduce the risks associated with carrying large amounts of cash.
(v) Foreign Exchange Services: Commercial banks buy and sell foreign currencies for customers involved in international trade, travel, education, and investment. They also facilitate international payments and help importers and exporters carry out foreign business transactions efficiently.
(vi) Creation of Credit: Commercial banks create credit by lending out part of the deposits received from customers. This increases the money available for investment and business activities, stimulates production, creates employment opportunities, and promotes economic development.
(vii) Provision of Financial Advice: Commercial banks provide professional financial advice to individuals, businesses, and government organizations on investment opportunities, savings, financial management, project financing, and other banking services. This enables customers to make sound financial decisions.

(viii) Promotion of Economic Development: Commercial banks contribute to national economic development by mobilizing savings, financing businesses, encouraging investment, supporting industrial and agricultural development, creating employment opportunities, and facilitating the efficient flow of money within the economy. Their activities promote overall economic growth and improve the standard of living of the people.

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(8a)
A free market economy is an economic system in which the production, distribution, and exchange of goods and services are determined mainly by the forces of demand and supply without significant government interference. Individuals and private businesses are free to own property, establish enterprises, make economic decisions, and compete in the market with the aim of maximizing profit.

(8b)
(PICK ANY FOUR)
(i) Government Ownership of Resources: In a socialist economy, the major means of production and distribution, such as land, industries, banks, mines, and public utilities, are owned and controlled by the government. This ensures that national resources are managed for the benefit of the entire society rather than for private individuals.
(ii) Central Planning: Economic activities are planned and controlled by a central planning authority or government agency. The government decides what goods and services should be produced, the quantity to be produced, how they should be produced, and how they should be distributed among the people.
(iii) Profit is Not the Main Objective: The primary objective of production in a socialist economy is to satisfy the needs and welfare of the people rather than to maximize profit. Goods and services are produced mainly to improve the standard of living and promote social welfare.
(iv) Equal Distribution of Income and Wealth: A socialist economic system aims to reduce income inequality by ensuring a more equitable distribution

of national income and wealth. The government uses various policies to minimize the gap between the rich and the poor.
(v) Limited Private Ownership: Private ownership of the means of production is either highly restricted or completely prohibited. Individuals may own personal property, but strategic industries and major productive resources remain under government ownership and control.
(vi) Government Control of Prices: The government determines and regulates the prices of many goods and services instead of allowing prices to be determined entirely by demand and supply. This is done to prevent exploitation, control inflation, and ensure that essential goods remain affordable.
(vii) Social Welfare is Emphasized: A socialist economy gives high priority to the provision of social services such as free or subsidized education, healthcare, housing, transportation, and social security. These services are provided to improve the welfare and living standards of all citizens.
(viii) Absence of Competition: Competition among producers is minimal or absent because the government controls most economic activities. Instead of competing for profits, state-owned enterprises cooperate to achieve national economic objectives and implement government development plans.

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(9a)
Unemployment is a situation in which people who are willing, able, and qualified to work at the prevailing wage rate cannot find suitable employment. It refers to the condition where members of the labour force who are actively seeking jobs remain without work.

(9b)
(PICK ANY FOUR)
(i) Rapid Population Growth: The rapid increase in Nigeria's population has led to a large labour force that exceeds the number of available job opportunities. As more people enter the labour market each year without a corresponding increase in employment opportunities, unemployment continues to rise.

(ii) Inadequate Industrial Development: The slow pace of industrialisation in Nigeria has limited the number of industries capable of employing workers. The absence of sufficient manufacturing industries reduces job opportunities for both skilled and unskilled labour, thereby increasing unemployment.
(iii) Poor Educational System and Skill Mismatch: Many graduates lack the practical and technical skills required by employers because the educational system often emphasizes theory rather than vocational and technical training. This mismatch between available skills and labour market requirements contributes to unemployment.
(iv) Economic Recession and Low Investment: Periods of economic recession reduce business activities and discourage both local and foreign investment. Many companies are forced to reduce production, retrench workers, or stop employing new staff, leading to increased unemployment.
(v) Corruption and Poor Governance: Corruption, mismanagement of public funds, and poor leadership hinder economic development and discourage investment. Funds meant for job creation and infrastructure are often diverted, reducing employment opportunities and increasing unemployment.
(vi) Inadequate Power Supply and Poor Infrastructure: The persistent shortage of electricity, poor road networks, inadequate water supply, and weak communication facilities increase the cost of doing business. Many businesses operate below capacity or shut down completely, resulting in job losses and higher unemployment.

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(10a)
A perfect market is a market structure where there are many buyers and sellers, products are homogeneous, there is free entry and exit of firms, and no individual buyer or seller can influence the market price, while an imperfect market is a market structure where one or a few sellers or buyers can influence prices, products may be differentiated, and there are restrictions to entry and exit.

(10b)
(PICK ANY FOUR)
(i) Large Number of Buyers and Sellers: A perfect market must have a very large number of buyers and sellers. No single buyer or seller should be powerful enough to influence the market price because each participant contributes only a small proportion of total market demand or supply.
(ii) Homogeneous Products: All firms must produce and sell identical or homogeneous products. Since the goods are exactly the same in quality, size, and appearance, buyers have no preference for one seller over another.
(iii) Free Entry and Exit of Firms: There should be no legal, financial, or technological barriers preventing firms from entering or leaving the market. New firms should be able to join the industry freely, while existing firms should also be free to leave whenever they wish.
(iv) Perfect Knowledge of Market Conditions: Both buyers and sellers must possess complete information about prices, product quality, production methods, and market conditions. This enables consumers to make informed purchasing decisions and prevents exploitation.
(v) Perfect Mobility of Factors of Production: Factors of production such as labour, capital, and land should move freely from one occupation or industry to another wherever they can be used more efficiently. This promotes efficient allocation of resources.
(vi) No Government Interference: The government should not interfere with the forces of demand and supply through price controls, taxes, subsidies, quotas, or other restrictive policies. Prices should be determined solely by market forces.
(vii) Absence of Transport Costs: It is assumed that transportation costs do not exist or are the same for all sellers. This ensures that products are sold at a uniform price throughout the market and that no seller enjoys an unfair advantage because of location.
(viii) Independent Decision-Making: Buyers and sellers should make their decisions independently without collusion, agreements, or external influence. Each participant acts in his or her own interest, allowing the forces of demand and supply to determine the market price freely.