

# Sample JAMB Past Questions and Answers on Economics

1. Which of the following items is NOT included in measuring national income by the income approach?
  - A. Wages and salaries of public servants
  - B. Student grants and scholarships.
  - C. Profits of companies.
  - D. Income earned by self employed persons such as lawyers.
  - E. Rents on property.
2. A down ward sloping demand curve intersects a fixed supply curve. A shift of this demand curve to the right implies that
  - A. both price and quantity will increase
  - B. only price increase
  - C. only quantity increase
  - D. the price remains constant
  - E. the price falls.
3. Which of the following items is NOT an argument for locating industries in rural areas?
  - A. Rural areas supply agricultural raw material.
  - B. The pace of development will be quickened in rural areas.
  - C. Employment will be provided for rural inhabitants.
  - D. Capital is easily available in rural areas.
  - E. Suitable humid climate is sometimes found in rural areas.
4. The curves  $D_0D_0$  and  $S_0S_0$  are the demand and supply curves respectively. What happens government subsidizes producers in order to boost output?
  - A. The supply curve will shift  $S_0S_0$  to  $S_2S_2$
  - B. The supply curve will shift from  $S_0S_0$  to  $S_1S_1$
  - C. The supply curve will shift from  $S_2S_2$  to  $S_1S_1$
  - D. The supply curve will shift from  $S_1S_1$  to  $S_0S_0$
  - E. The demand curve will shift from  $D_0D_0$  to  $D_1D_1$
5. The natural growth rate of a population is the
  - A. Sum of the birth rate and the death rate
  - B. Sum of the birth rate and the net migration rate
  - C. Birth rate minus the death rate
  - D. Birth rate divided by the net migration
  - E. Death rate minus the net migration.
6. Which of the following sets fully represents factor of production?
  - A. Sunlight, machinery, man, land
  - B. Land, labour, capital, enterprise technology
  - C. Capital, technology, ideas, market, land.
  - D. Land, water, weather.
  - E. Money, market, middlemen.
7. Production possibilities (alternatives)

	P	Q	R	S	T
Units of shelter	5	4	3	2	0
Units of food	0	5	9	12	15

Based on the above production possibilities table, the real cost of a unit of food when alternative R is selected is
  - A. One unit of shelter
  - B. Three units of shelter
  - C. One third of a unit of shelter
  - D. Six units of shelter
  - E. Two units of shelter.
8. The concept of economic efficiency primarily refers to
  - A. Obtaining the maximum output from available resources at the lowest possible cost
  - B. Conservation of our petroleum resources
  - C. Equity in the distribution of the nation's wealth
  - D. Producing without waste
  - E. The limited wants unlimited resources dilemma
9. If successive units of labour are added to a piece of land while capital and technology remain constant, a point will be reached in the level of production when each added unit of labour will add less to the output than previous units of labour.
  - A. The productivity of labour
  - B. The law of diminishing marginal utility
  - C. The law of diminishing returns

- D. The concept of factor intensity
- E. Labour intensive production.

10. In perfect competition a firm's price is equal to its marginal revenue which is again equal to average revenue. This firm maximizes its profits when its marginal cost (MC) is equal to price ( $p$ ). Which of the curves in the diagram below represents the firm's marginal cost (MC)?

- A. Curve I
- B. Curve II
- C. Curve III
- D. Curve IV
- E. Curve I and III