

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