



KITH AND KIN INTERNATIONAL COLLEGE

7/11 KaoliOlusanva Street, Owodelbeshe, Ikorodu, Lagos State.
THIRD TERM EXAMINATION 2023/2024 ACADEMIC SESSION

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|---------|-----------|-------|------|----------|---------|
| NAME | | | | | |
| SUBJECT | ECONOMICS | CLASS | SS 1 | DURATION | 1½HOURS |

SECTION A: Answer one question only from this section.

Total marks: 40 marks

1. The demand and supply function of a commodity are given as follows:

$$\text{Quantity demanded (Qd)} = 20 - 2p$$

$$\text{Quantity supplied (Qs)} = 6P + 12 \text{ where } P = \text{price in naira}$$

- (a) Determine the equilibrium price and quantity bought and sold at that price. **(4 marks)**

- (b) If the price of the commodity is fixed at N6.00, what is the magnitude of the excess supply? **(3 marks)**

- (c.) define the following

- i. Equilibrium price **(1 mark)**
- ii. Equilibrium point **(1mark)**
- iii. Equilibrium quantity **(1 mark)**

2. **Copy and complete the table below**

| Unit of land | No of Men Employed | Total Product | Average product | Marginal Product |
|--------------|--------------------|---------------|-----------------|------------------|
| 1 | 1 | 1 | 1 | - |
| 1 | 2 | 6 | 3 | 5 |
| 1 | 3 | 20 | 6.7 | D |
| 1 | 4 | 35 | C | 15 |
| 1 | 5 | 40 | 8 | 5 |
| 1 | 6 | A | 7 | 2 |
| 1 | 7 | 42 | 6 | E |
| 1 | 8 | 40 | 5 | -2 |
| 1 | 9 | 36 | B | -4 |
| 1 | 10 | 27 | 2.7 | -9 |

- a) Calculate the estimated missing letters A-E **(5 marks)**

- b) Draw the graph of the completed table showing the TP, AP , and MP **(5 marks)**

SECTION B

INSTRUCTION: Answer three questions from this section

3. In a carpentry workshop of three employees, one is responsible for cutting the wood, another for fixing and a third for polishing and spraying the furniture.

- (a) Identify the term that describes the production process the workshop uses. **(2 marks)**

- (i) State four advantages of the production process identified in 3(a) to the workshop. **(4 marks)**

- (ii) State four disadvantages of the production process identified in 3(a) to the workshop. **(4marks)**

4. (i) With the aid of diagrams, explain what is meant by a change in:

- (a) the quantity demanded **(5 marks)**

- (b)demand. **(5 marks)**

5. The table below shows the scale of preference of a student - Mr Smith whose disposable income is \$7.00. Use the information in the table to answer the questions that follow.

| Items needed | Price (\$) |
|--------------|------------|
| Textbook | 5.00 |
| Shirt | 2.00 |
| Shoes | 3.00 |
| Trousers | 3.00 |
| Notebook | 1.00 |
| School fees | 7.00 |
| Mattress | 10.00 |

(a) (i) What will Mr. Smith spend his money on? **(2 marks)**

(ii) Explain your answer in 5(a)(i). **(1 marks)**

(b)(i) What is the opportunity cost of Mr. Smith's decision in 4(b)(i)? **(3 marks)**

(ii) Explain your answer in 4(b)(i). **(1 mark)**

(d) Define "scale of preference" and "opportunity cost". **(3 marks)**

5. Distinguish between:

(i) a mortgage bank and a merchant bank. **(4 marks)**

(ii) a commercial bank and a development bank. **(4 marks)**

(b) Explain any two functions of commercial banks. **(2 marks)**

6. a. What is trade by barter? **(3 marks)**

b. Highlight seven the problems posed by trade by barter **(7 marks)**