

## ECONOMICS

### GENERAL OBJECTIVES

The aim of the Unified Tertiary Matriculation Examination (UTME) syllabus in Economics is to prepare the candidates for the Board's examination. It is designed to test their achievement of the course objectives, which are to:

1. demonstrate sufficient knowledge and understanding of the basic concepts, tools and their general applications to economic analysis;
2. identify and explain the basic structure, operations and roles of the various economics units and institutions (national and international);
3. describe major economic activities – production, distribution and consumption;
4. identify and appraise the basic economic problems of society;
5. develop the competence to proffer solutions to economic problems.

### DETAILED SYLLABUS

TOPICS/CONTENTS/NOTES	OBJECTIVES
<p><b>1. Economics as a science</b></p> <p>a. Basic Concepts: Wants, Scarcity, choice, opportunity cost, Rationality, production, distribution, consumption etc</p> <p>b. Economic problems of: what, how and for whom to produce</p> <p><b>2. Economic Systems</b></p> <p>a. Types: free enterprise, centrally planned and mixed economies</p> <p>b. Solutions to economic problems under different systems</p> <p>c. Contemporary issues in economic systems (e.g. economic reforms, deregulation etc)</p>	<p>Candidates should be able to:</p> <p>(i) compare various concepts in economics and their applications;</p> <p>(ii) interpret graphs/schedules in relation to the concepts;</p> <p>(iii) identify economic problems;</p> <p>(iv) proffer solutions to economic problems</p> <p>Candidates should be able to:</p> <p>(i) compare the various economic systems;</p> <p>(ii) apply the knowledge of economic systems to contemporary issues in Nigeria;</p> <p>(iii) proffer solutions to economic problems in different economic systems.</p>

TOPICS/CONTENTS/NOTES	OBJECTIVES
<p><b>3. Methods of Economic Analysis</b></p> <p>a. Scientific Approach:</p> <ul style="list-style-type: none"> <li>i. inductive and deductive methods</li> <li>ii. positive and normative reasoning</li> </ul> <p>b. Basic Tools</p> <ul style="list-style-type: none"> <li>i. tables, charts and graphs</li> <li>ii. measures of central tendency: mean, median and mode, and their applications.</li> <li>iii. measures of dispersion; variance, standard deviation, range and their applications;</li> <li>iv. merits and demerits of the tools.</li> </ul>	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> <li>(i) distinguish between the various forms of reasoning;</li> <li>(ii) apply these forms of reasoning to real life situations;</li> <li>(iii) use the tools to interpret economic data;</li> <li>(iv) analyse economic data using the tools;</li> <li>(v) assess the merits and demerits of the tools.</li> </ul>
<p><b>4. The Theory of Demand</b></p> <p>a. i. meaning and determinants of demand</p> <ul style="list-style-type: none"> <li>ii. demand schedules and curves</li> <li>iii. the distinction between change in quantity demanded and change in demand.</li> </ul> <p>b. Types of demand: Composite, derived, competitive etc</p> <p>c. Elasticity of demand: determinants, measurements, nature and applications (e.g. revenue).</p> <p>d. Effects of changes in the determinants (price, income and cross elasticities).</p>	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> <li>(i) identify the factors determining demand;</li> <li>(ii) interpret demand curves from demand schedules;</li> <li>(iii) differentiate between change in quantity demanded and in demand;</li> <li>(iv) compare the various types of demand and their interrelationships;</li> <li>(v) relate the determinants to the nature of elasticity;</li> <li>(vi) compute elasticities;</li> <li>(vii) interpret elasticity coefficients in relation to real life situations.</li> </ul>
<p><b>5. The Theory of Consumer Behaviour</b></p> <p>a. Basic Concepts:</p> <ul style="list-style-type: none"> <li>i. utility (cardinal, ordinal and marginal utilities)</li> <li>ii. value in use and value in exchange</li> <li>iii. indifference curve and budget line.</li> </ul>	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> <li>(i) appraise the various utility concepts;</li> <li>(ii) apply the law of demand using the marginal utility analysis;</li> <li>(iii) use indifference curve and marginal analyses to determine consumer equilibrium;</li> </ul>

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<p>b. Diminishing marginal utility and the law of demand.</p> <p>c. Consumer equilibrium using the indifference curve and marginal analyses.</p> <p>d. Effects of shift in the budget line and the indifference curve.</p> <p>e. Consumer surplus and its applications.</p>	<p>(iv) associate the income and substitution effects;</p> <p>(v) apply consumer surplus to real life situations.</p>
<p><b>6. The Theory of Supply</b></p> <p>a. i. Meaning and determinants of supply</p> <p>ii. Supply schedules and supply curves</p> <p>iii. the distinction between change in quantity supplied and change in supply</p> <p>b. Types of Supply: Joint/complementary, competitive and composite</p> <p>c. Elasticity of Supply: determinants, measurements, nature and applications</p>	<p>Candidates should be able to:</p> <p>(i) identify the factors determining supply;</p> <p>(ii) interpret supply curves from supply schedules;</p> <p>(iii) differentiate between change in quantity supplied and change in supply;</p> <p>(iv) compare the various types of supply and their interrelationships;</p> <p>(v) relate the determinants to the nature of elasticity;</p> <p>(vi) compute elasticity coefficients;</p> <p>(vii) interpret the coefficients in relation to real live situations.</p>
<p><b>7. The Theory of Price Determination</b></p> <p>a. The concepts of market and price</p> <p>b. Functions of the price system</p> <p>c. i. Price determination under a free market</p> <p>ii. Price legislation and its effects</p> <p>d. The effects of changes in supply and demand on equilibrium price and quantity</p>	<p>Candidates should be able to:</p> <p>(i) express the concepts of market and price;</p> <p>(ii) examine the functions of the price system;</p> <p>(iii) evaluate the effects of government interference with the price system;</p> <p>(iv) differentiate between minimum and maximum price legislation;</p> <p>(v) interpret the effects of changes in supply and demand on equilibrium price and quantity.</p>

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<p><b>8. The Theory of Production</b></p> <p>a. Concepts of production and their interrelationships (TP, AP, MP and the law of variable proportion).</p> <p>b. Scale of Production: Internal and external economies of scale and their implications.</p> <p>c. Production functions and returns to scale</p> <p>d. Producers' equilibrium isoquant-isocost and marginal analyses.</p>	<p>Candidates should be able to:</p> <p>(i) relate TP, AP and MP with the law of variable proportion;</p> <p>(ii) compare internal and external economies of scale in production and their effects;</p> <p>(iii) identify the types of production functions</p> <p>(iv) compare the different types of returns to the scale and their implications;</p> <p>(v) determine the firm's equilibrium position using the isoquant-isocost and marginal analyses.</p>
<p><b>9. Theory of Costs</b></p> <p>a. The concepts of cost: Fixed, Variable Average and Marginal</p> <p>b. Accountants' and Economists' notions of cost</p> <p>c. Short-run and long-run costs</p> <p>d. The marginal cost and the supply curve of firm.</p>	<p>Candidates should be able to:</p> <p>(i) interpret the various cost concepts</p> <p>(ii) differentiate between accountants' and economists' notions of costs;</p> <p>(iii) interpret the short-run and long-run costs curves;</p> <p>(iv) establish the relationship between marginal cost and supply curve.</p>
<p><b>10. Market Structure</b></p> <p>a. Perfectly competitive market:</p> <p>i. Assumptions and characteristics;</p> <p>ii. Short-run and long-run equilibrium of a perfect competitor;</p> <p>b. Imperfect Market:</p> <p>i. Pure monopoly, discriminatory monopoly and monopolistic competition.</p> <p>ii. Short-run and long-run equilibrium positions.</p> <p>c. Break-even/shut-down analysis in the various markets.</p>	<p>Candidates should be able to:</p> <p>(i) analyse the assumptions and characteristics of a perfectly competitive market;</p> <p>(ii) differentiate between short-run and long-run equilibrium of a perfectly competitive firm;</p> <p>(iii) analyse the assumptions and characteristics of imperfect markets;</p> <p>(iv) differentiate between the short-run and long-run equilibria of imperfectly competitive firms;</p> <p>(v) establish the conditions for the break-even/shut down of firms.</p>
<p><b>11. National Income</b></p> <p>a. Concepts: GNP, GDP, NI etc</p> <p>b. National Income measurements and their problems</p>	<p>Candidates should be able to:</p> <p>(i) identify the major concepts in national income;</p> <p>(ii) compare the different ways of measuring national income;</p>

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<ul style="list-style-type: none"> <li>c. Uses of national incomes estimates</li> <li>d. The circular flow of income (three-sector model)</li> <li>e. The multiplier concept.</li> <li>f. Elementary theory of income determination and equilibrium national income.</li> </ul>	<ul style="list-style-type: none"> <li>(iii) examine their problems;</li> <li>(iv) assess the uses and limitations of national income estimates;</li> <li>(v) interpret the circular flow of income using the three-sector model;</li> <li>(vi) calculate the multipliers;</li> <li>(vii) evaluate their effects on equilibrium national income.</li> </ul>
<p><b>12. Money and Inflation</b></p> <ul style="list-style-type: none"> <li>a. Types and functions of money</li> <li>b. Demand for money and the supply of money</li> <li>c. Quantity Theory of money (Fisher equation)</li> <li>d. Inflation: Types, measurements, effects and control</li> </ul>	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> <li>(i) differentiate between the types and functions of money;</li> <li>(ii) determine the factors affecting the demand for and the supply of money;</li> <li>(iii) identify the components in the quantity theory of money;</li> <li>(iv) examine the causes and effects of inflation;</li> <li>(v) calculate the consumer price index;</li> <li>(vi) interpret the consumer price index;</li> <li>(vii) examine ways of controlling inflation.</li> </ul>
<p><b>13. Banking</b></p> <ul style="list-style-type: none"> <li>a. Types and functions of banks</li> <li>b. The creation of money</li> <li>c. Challenges facing the banking industry in Nigeria (reforms, consolidation)</li> <li>d. The role of banks in economic development</li> <li>e. Monetary policy and its instruments.</li> </ul>	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> <li>(i) compare the types of banks and their functions;</li> <li>(ii) trace the money-creation process and factors affecting it;</li> <li>(iii) appraise the challenges facing the banking industry;</li> <li>(iv) examine the role of banks in economic development;</li> <li>(v) examine the various monetary policy instruments and their effects.</li> </ul>
<p><b>14. Public Finance</b></p> <ul style="list-style-type: none"> <li>a. Meaning and objectives</li> <li>b. Sources of government revenue (taxes royalties, etc)</li> <li>c. Principles of taxation</li> <li>d. The effects of public expenditure</li> <li>e. Government budget and public debts</li> <li>f. Revenue allocation and resource control in Nigeria</li> </ul>	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> <li>(i) identify the objectives of public finance;</li> <li>(ii) compare the various sources of government revenue;</li> <li>(iii) analyse the principles of taxation;</li> <li>(iv) examine the effects of public expenditure on the economy;</li> <li>(v) examine the types and effects of budgets;</li> <li>(vi) highlights the criteria for revenue allocation in Nigeria and their impact.</li> </ul>
<p><b>15. Economic Growth and Development</b></p> <ul style="list-style-type: none"> <li>a. Meaning and scope</li> <li>b. Indicators of growth and development</li> <li>c. Factors affecting growth and</li> </ul>	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> <li>(i) distinguish between economic growth and development;</li> <li>(ii) highlight the indicators of growth and</li> </ul>

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<p>development</p> <p>d. Problems of development in Nigeria</p> <p>e. Developing planning in Nigeria.</p>	<p>development;</p> <p>(iii) identify the factors affecting growth and development;</p> <p>(iv) assess the problems of development in Nigeria;</p> <p>(v) examine the role of planning in development;</p>
<p><b>16. Agriculture in Nigeria</b></p> <p>a. The role of agriculture in economic development;</p> <p>b. Characteristics and problems;</p> <p>c. Effects of agricultural policies;</p> <p>d. Instability in agricultural income (causes, effects and solutions)</p>	<p>Candidates should be able to:</p> <p>(i) identify the characteristics and problems of agriculture;</p> <p>(ii) assess the role of agriculture in economic development;</p> <p>(iii) appraise some agricultural policies;</p> <p>(iv) evaluate the causes and effects of instability in agricultural income.</p>
<p><b>17. Industry and Industrialization</b></p> <p>a. Concepts and effects of location and localization of industry in Nigeria;</p> <p>b. Problems of Industrialization strategies (e.g. export promotion, import substitution etc)</p> <p>c. SMEs and economic development in Nigeria</p>	<p>Candidates should be able to:</p> <p>(i) differentiate between location and localization of industry;</p> <p>(ii) identify the factors influencing the location and localization of industry;</p> <p>(iii) examine the problems of industrialization;</p> <p>(iv) appraise some industrialization strategies;</p> <p>(v) examine the role of industry in economic development.</p>
<p><b>18. Petroleum and the Nigerian Economy</b></p> <p>a. Development of the petroleum industry in Nigeria;</p> <p>b. Contributions of petroleum to the Nigerian economy;</p> <p>c. Linkage effects;</p> <p>d. Upstream/downstream activities.</p>	<p>Candidates should be able to:</p> <p>(i) trace the development of the petroleum industry in Nigeria;</p> <p>(ii) assess the contribution of petroleum to the Nigerian economy;</p> <p>(iii) establish the linkages between the petroleum and other sectors;</p> <p>(iv) analyse the environmental effects of exploration activities in Nigeria;</p> <p>(v) distinguish between the upstream and downstream activities ;</p> <p>(vi) suggest ways of controlling the effect of oil exploration.</p>
<p><b>19. Business Organizations</b></p> <p>a. Private enterprises (e.g. sole-proprietorship, partnership, limited liability companies and cooperative societies)</p> <p>b. Problems of private enterprises;</p> <p>c. Public enterprises;</p>	<p>Candidates should be able to:</p> <p>(i) compare the types and basic features of private business organization;</p> <p>(ii) assess the financing and management problems of business organizations;</p> <p>(iii) identify the features of public enterprises;</p> <p>(iv) differentiate between privatization and</p>

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<p>d. Privatization and Commercialization as solutions to the problems of public enterprises.</p> <p><b>20. Population</b></p> <p>a. Meaning and theories; b. Census: importance and problems. c. Size and growth: over-population, under-population and optimum population. d. Structure and distribution; e. Population policy and economic development.</p> <p><b>21. International Trade</b></p> <p>a. Meaning and basis for international trade (absolute and comparative costs etc) b. Balance of trade and balance of payments: problems and corrective measures; c. Composition and direction of Nigeria's foreign trade; d. Exchange rate: meaning, types and determination.</p> <p><b>22. International Economic Organizations</b></p> <p>Roles and relevance of international organization e.g. ECOWAS, AU, EU, OPEC, ECA, IMF, EEC, OECD, World Bank, IBRD, WTO, ADB and UNCTAD etc to Nigeria.</p> <p><b>23. Factors of Production and their Theories</b></p> <p>a. Types, features and rewards; b. Determination of wages, interest and profits; c. Theories: marginal productivity theory of wages and liquidity preference theory; d. Factor mobility and efficiency; e. Unemployment</p>	<p>commercialization; (v) compare the advantages and disadvantages of privatization and commercialization;</p> <p>Candidates should be able to:</p> <p>(i) analyse the features of some population theories; (ii) examine the relevance of the theories to Nigeria; (iii) examine the uses and limitations of census data; (iv) identify determinants of the size, composition and growth of population; (v) analyse the structure and distribution of population; (vi) appraise government population policy in Nigeria.</p> <p>Candidates should be able to:</p> <p>(i) examine the basis for international trade; (ii) differentiate between absolute and comparative advantages; (iii) distinguish between balance of trade and balance of payments and their corrective measures; (iv) highlight the problems of balance of payments and their corrective measures; (v) examine the composition and direction of Nigeria's foreign trade; (vi) identify the types of exchange rates; (vii) examine how exchange rates are determined.</p> <p>Candidates should be able to:</p> <p>(i) identify the various economic organizations and their functions; (vii) evaluate their relevance to the Nigerian economy</p> <p>Candidates should be able to:</p> <p>(i) identify the types; features and rewards of factors; (ii) analyse the determination of wages, interest and profits; (iii) interpret the marginal productivity of liquidity preference theories; (iv) examine factors mobility and efficiency; (v) examine the types and causes of unemployment in Nigeria; (vi) suggest solutions to unemployment in Nigeria.</p>

### **RECOMMENDED TEXTS**

- Aderinto, A.A names(s)? (1996). Economics: Exam Focus, Ibadan: University Press Plc.
- Black, J. (1997). Oxford Dictionary of Economics. Oxford: Oxford University Press
- Eyiye, D.O. (1980). Economics Made Easy, Benin City, Quality Publishers Ltd.
- Fajana, F et al (1999). Countdown to SSCE/JME Economics Ibadan: Evans
- Falodun, A.B. et al (1997). Round-up Economics, Lagos: Longman
- Kountsoyiannis, A. (1979). Modern Microeconomics, London: Macmillan
- Lawal, O.A. (1985). Success in Economics, London: John Muray.
- Lipsey, R.G. (1997). An Introduction to Positive Economics, Oxford: Oxford University Press.
- Samuelson, P and Nordhaus, W. (1989). Economics, Singapore: McGraw-Hill
- Udu E and Agu G.A. (2005). New System Economics: a Senior Secondary Course, Ibadan: Africana FIRST Publishers Ltd.
- Wannacott and Wannacott (1979). Economics, New York: McGraw-Hill.
- Wisdomline Pass at Once JAMB.