1.**Using a properly labeled diagram**, explain a situation where an increase in demand leads to a fall in price. State the possible economic reasons for this abnormal situation.

2.A goods has a price elasticity of demand of **−2.5**.

(a) Interpret this value.

(b) If the price increases by 8%, calculate the expected percentage change in quantity demanded.

(c) State two policy implications of this result.

3.Distinguish clearly between:

- **Marginal product and Average product**
- **Short-run and Long-run production**

Using a diagram, explain the **Law of Diminishing Returns**.

4.The table below shows the output of a firm:

LabourOutput110222330436540

(a) Calculate the **Marginal Product (MP)**
(b) At which point does diminishing returns set in?
(c) Give two economic interpretations of your answer.

5.Explain with the aid of diagrams:

- **Total Cost (TC)**
- **Average Cost (AC)**
- **Marginal Cost (MC)**

Show clearly the relationship between **AC and MC**.

6.Differentiate between:

- **Implicit cost and Explicit cost**
- **Accounting profit and Economic profit**

Give two real-life examples for each.

7.With the use of diagrams, explain how a firm in **perfect competition** determines:

- Its **equilibrium output**
- Its **equilibrium price**

8.Describe **five factors** that influence the **elasticity of demand** for any commodity and explain how each factor affects elasticity.

9.State and explain **four differences** between:

- **Perfect Competition**
- **Monopoly**

Give one example of each market structure in Nigeria.

10.“Increase in supply does not always lead to increase in total revenue of producers.”

(a) Explain this statement using elasticity of demand