



MURANGA UNIVERSITY COLLEGE

(A constituent College of Jomo Kenyatta University of Agriculture & Technology)

MAIN CAMPUS

SUPPLEMENTARY UNIVERSITY EXAMINATIONS

2015/2016 ACADEMIC YEAR

FOR BACHELOR

IN

BUSINESS AND INFORMATION TECHNOLOGY.

COURSE CODE: HBT 2104/ HBC 2104

COURSE TITLE: MICRO ECONOMICS.

TIME: 2 HOURS.

INSTRUCTIONS TO CANDIDATES

Question ONE (1) is compulsory
Answer ANY OTHER TWO (2) questions

MRUC observes ZERO tolerance to examination irregularities



QUESTION ONE

- a) What is Economics? Explain the reasons why economics problems arise. (5 marks.)
- b) It is important to study economics due to several reasons explain at least FIVE reasons. (10 marks.)
- c) What are human wants? Under the classification of human wants, discuss the two types with their subdivision. (10 marks.)
- d) Distinguish between Micro and Macro Economics. (5 marks.)

QUESTION TWO

- a) Elasticity of supply depends on several factors. Discuss at least FOUR factors. (8 marks.)
- b) Explain at least THREE reasons why a monopolistic market can be supported, and THREE reasons why it is not considered a good type of market. (12 marks.)

QUESTION THREE

- a) The change in demand is not always proportionate to change in price. Explain using diagrams. (12 marks.)
- b) Discuss the FOUR factors of production and their rewards. (8 marks.)

QUESTION FOUR

- a) Explain FIVE features of a free market Economy. (10 marks.)
- b) Discuss FIVE Disadvantages of price mechanism. (10 marks.)