

DIPLOMA IN BUSINESS MANAGEMENT.

YEAR OF STUDY: 2014

TOWN CAMPUS. SUPPLEMENTARY EXAMINATION.

DBM 1121&BS1107:

UNIT TITLE:PRINCIPLES OF ECONOMICS.

TIME: 2 HOURS.

INSTRUCTIONS:

Answer all questions.

QUESTION ONE.

- a) State FIVE characteristics of human wants. (5 marks.)
- b) State five functions of money. (5 marks.)
- c) Explain the various types of goods. (10 marks.)
- d) Define the following economic terms.
 - i. Inflation
 - ii. Consumer Sovereign
 - iii. Supply
 - iv. Opportunity Cost
 - v. Demand (10 marks)

QUESTION TWO.

- a) Discuss at least SIX functions of commercial banks. (12 Marks.)
- b) Distinguish between the following market structures:
 - i. Monopoly and monopolistic competition.
 - ii. Oligopoly and Duopoly. (8 marks.)

QUESTION THREE.

- a) Sometimes demand for one commodity is affected by the changes in the demand for other commodities. Discuss the various forms of interrelated demands. (12 marks.)
- b) State at least FOUR limitations of consumer sovereignty. (8 marks.)