



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF COMMERCE

UNIVERSITY ORDINARY EXAMINATION

2017/2018 ACADEMIC YEAR

**FIRST YEAR FIRST SEMESTER EXAMINATION FOR THE BACHELOR OF
HUMAN RESOURCE MANAGEMENT AND
BACHELOR OF SCIENCE IN MATHEMATICS AND ECONOMICS**

BCE 102 – GENERAL ECONOMICS

DURATION: 2 HOURS

DATE: 8TH DECEMBER, 2017

TIME: 9.00- 11.00 A.M.

Instructions to Candidates:

1. Answer **Question 1** and **Any Other Two** questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

SECTION ONE - COMPULSORY

QUESTION ONE

- (a) Several economists have defined economics taking different aspects into account. Discuss.
- i. Wealth definition (2 marks)
 - ii. Welfare definition (2 marks)
 - iii. Growth definition (2 marks)
- (b) What are human wants? (2 marks)
- (c) There are two types of human wants discuss the two types with their subdivisions. (8 marks)
- (d) Oligopoly may exist in a market structure due to several reasons. Explain three reasons. (6 marks)
- (e) Discuss four factors that determine the amount of a product that producers and firms are willing to sell at a given price. (8 marks)

SECTION TWO – ANSWER ANY TWO QUESTIONS

QUESTION TWO

- (a) Sometimes the demand for one commodity is affected by the change in demand of another commodity. Discuss the four various forms using examples. (8 marks)
- (b) External Economies of Scale are important in policies of industrial allocation and are available to all firms. Illustrate five reasons why they arise. (10 marks)
- (c) Define consumer Sovereignty. (2 marks)

QUESTION THREE.

- (a) Labour is not only a means of production but also an end of production. Discuss five factors that distinguish labour from the rest of the factors of production. (10 marks)
- (b) There are several canons of Public expenditure which the government uses as a guiding tool. Discuss five canons. (10marks)

QUESTION FOUR

- (a) Discuss five causes of unemployment and suggest possible measures that would be implemented to contain unemployment problems. (10 marks)
- (b) Apart from fiscal and monetary measures, there are other non-monetary measures which are helpful in controlling inflation. Discuss five measures. (10 marks)