



MURANGA UNIVERSITY COLLEGE

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

MAIN CAMPUS

ORDINARY UNIVERSITY EXAMINATIONS

2015/2016 ACADEMIC YEAR

FOR THE DIPLOMA

IN

COOPERATIVE MANAGEMENT

COURSE CODE: BS1107

COURSE TITLE: ECONOMICS

DATE: 16TH DECEMBER, 2015

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) Discuss FOUR barriers to geographic mobility of labour. (10 marks.)
- b) Public Debt is a source of public finance. Explain FIVE importance of the public debt. (10 marks.)
- c) Change in demand is not always proportionate to change in price. Discuss (10 marks.)

QUESTION TWO

- a) Economies of scale are of two kinds Internal and external economies. Differentiate them and state the external economies of scale. (10 marks.)
- b) Discuss FIVE causes of overpopulation. (10 marks.)

QUESTION THREE

- a) The law of supply applies when other things remain constant; these other things are the assumptions. Explain FIVE Assumptions.
- b) Monetary policy is operated by the Central Bank through the instruments of credit control. Explain FIVE Instruments.

QUESTION FOUR.

- a) People may be unemployed for many reasons. Discuss FIVE types of Unemployment. (10 marks.)
- b) Explain FIVE factors which bring about demand pull inflation. (10 marks.)