



# THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE

(A Constituent College of JKUAT)

*Faculty of Engineering and Technology*

DEPARTMENT OF BUILDING AND CIVIL ENGINEERING

**DIPLOMA IN BUILDING & CIVIL ENGINEERING (DBC 11)**  
**DIPLOMA IN CIVIL ENGINEERING (DC II)**

HRD 2103: ECONOMICS FOR ENGINEERS

**END OF SEMESTER EXAMINATION**

SERIES: DECEMBER 2011

**TIME: 2 HOURS**

## **Instructions to Candidates:**

You should have the following for this examination

- *Answer booklet*

This paper consists of **FIVE** questions

Answer question **ONE (COMPULSORY)** from **SECTION A** and any other **TWO** questions from **SECTION B**

Maximum marks for each part of a question are clearly shown

This paper consists of **THREE** printed pages

## SECTION A (COMPULSORY)

### Question 1

- a) State **FIVE** qualities of good money material. (5 marks)
- b) Differentiate between Bill of exchange and promissory note (6 marks)
- c) Briefly explain the following roles played by central bank  
(i) Act as a banker to other banks  
(ii) Acts as a financial controller to the commercial banks  
(iii) Advisor to the Government (15 marks)
- d) State the qualities of good shares (4 marks)

## SECTION B (Answer *any TWO questions from this section*)

### Question 2

- a) State the benefits of buying bonds (6 marks)
- b) Differentiate between a bond-holder and share-holder (10 marks)
- c) Briefly explain the process of opening and running a Central Depositing System (CDS) accounts (4 marks)

### Question 3

- a) Outline the main types of inflation and discuss its causes (12 marks)
- b) Explain the measures taken to curb inflation (8 marks)

### Question 4

- a) Explain the principle of comparative advantage as used in international trade (4 marks)
- b) State the merits of international trade Vis-à-vis comparative advantage (8 marks)
- c) Explain major barriers to free world trade (8 marks)

### Question 5

- a) Define Gross Domestic Product (G. D. P) (2 marks)
- b) Describe the **FOUR** streams of expenditures used when computing the Gross Domestic Product (GDP) (10 marks)
- c) Define the following  
(i) Net national product  
(ii) National income  
(iii) Disposable personal income (8 marks)