



THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE

Faculty of Engineering & Technology

DEPARTMENT OF CIVIL AND BUILDING ENGINEERING

DBC 09A

DCC 09A

END OF COURSE EXAMINATIONS

APRIL/MAY 2010 SERIES

ECONOMICS OF ENGINEERS

TIME: 2 HOURS

Instructions to Candidates

You should have the following for this examination:

- Answer booklet
- Calculator

This paper consists of **FIVE** Questions

Question **ONE** is **COMPULSORY**

Answer any other **TWO** Questions

Maximum marks for each part of a question are as shown.

Question ONE

- (a). Define the following terms as used in Economics:
- (i). Macro Economics
 - (ii). Inflation
 - (iii). Tariff
 - (iv). Balance of payment
 - (v). Money
- (10 Marks)**
- (b). Outline **THREE** major reasons for demanding money in an economy.
(6 Marks)
- (c). Highlight the **THREE** approaches used in measuring National Income.
(6 Marks)
- (d). State reasons for international trade restrictions.**(8 Marks)**

Question TWO

- (a). (i). Outline **FIVE** types of unemployment. **(10 Marks)**
(ii). Explain **FIVE** causes of unemployment in a country.
(5 Marks)
- (b). State **FIVE** qualities of money. **(5 Marks)**

Question THREE

- (a). Highlight **TEN** features of a good tax system. **(10 Marks)**
- (b). Explain **FIVE** policies of dealing with Balance of payment deficit in developing countries.
(10 Marks)

Question FOUR

- (a). Outline **FIVE** factors that contribute to low economic growth rates in developing countries. **(10 Marks)**
- (b). Describe **FIVE** sources of Government revenue. **(10 Marks)**

Question FIVE

- (a). (i). Outline types of exchange rate systems. **(4 Marks)**
(ii). State **FOUR** roles of foreign exchange. **(4 Marks)**
- (b). Discuss causes of inflation, stating its effects in an economy.
(12 Marks)