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 (30 Marks)

(a).   Define the following terms:
      (i).   Macro Economics
      (ii).   Quota
      (iii).   Balance of Trade
      (iv).   National Income
      (v).   Free Trade Area   **(10 Marks)**

(b).   State **FOUR** factors that determine supply of money in an economy.
                                                          (4 Marks)

(c).   Explain **FOUR** functions of money.   **(8 Marks)**

(d).   Discuss the important of international Trade.   **(8 Marks)**

Question TWO

(a).   Outline the **FOUR** types of inflation, stating their causes.
                                               (12 Marks)

(b).   State **FOUR** uses of National Income Accounting.
                                               (8 Marks)

Question THREE

(a).   Explain **FIVE** methods of paying public debts.   **(10 Marks)**

(b).   Explain **FIVE** benefits Kenya gets by being a member of the East Africa Community.   **(10 Marks)**

Question FOUR

(a).   State **FIVE** roles of commercial banks in an economy.
                                             (10 Marks)

(b).   Discuss **FIVE** common characteristics of developing countries.
                                             (10 Marks)

Question FIVE

(a).   Discuss one quantity theory of money and its limitations.
                                             (10 Marks)

(b).   (i).   State role of foreign exchange in an economy.
                                             (4 Marks)

      (ii).   Outline types of foreign exchange in rate systems.
                                             (6 Marks)