

aes TECHNICAL UNIVERSITY OF MOMBASA

FACULTY OF APPLIED AND HEALTH SCIENCES

DEPARTMENT OF ENVIRONMENT & HEALTH SCIENCES

**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF
SCIENCE IN MARINE RESOURCE MANAGEMENT**

BSMR /2ND YEAR/ 2ND SEMESTER

BAC 4103:GENERAL ECONOMICS

SEMESTER EXAMINATION

SERIES: APRIL/MAY 2016

TIME: 2 HOURS

Instructions to Candidates

This paper consists of FIVE questions

Answer question ONE (COMPULSORY) and any other TWO questions.

This paper consists of two printed pages.

Q 1.(a) Define the following terms:

) Opportunity cost

) Equilibrium price

) Pareto efficiency

) Command Economics

(10mks)

) Choice

(b) State any five characteristics of human wants

(5mks)

c)Mention any five macroeconomic policies

(5mks)

d) Identify five characteristics of mixed economy

(5mks)

e) State five advantages of free economy

(5mks)

Q 2.a)Discuss the five main features of a free markets system

(10mks)

b) Using a diagram illustrate a shift in the supply curve.What factors influence supply.

(10mks)

Q 3.a)State and explain the fundamental questions used in a free market system to allocate resources through the price mechanism

(10mks)

b)Explain five international trade agreements that influences the allocation of resources

(10mks)

Q 4.a)Explain five ways in which politics of the environments determines allocation of natural resources

(10mks)

b)Discuss five ways in which human life and nature may be valued.

(10mks)

Q 5.a)Describe five methods that are used in valuing non-market goods.

(10mks)

b)Explain five implications of global economic interdependence for natural environment

(10mks)