



TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

DIPLOMA IN LOGISTICS AND TRANSPORT MANAGEMENT

BLT 2102: INTRODUCTION TO ECONOMICS

END OF SEMESTER EXAMINATIONS

SERIES: APRIL 2015

TIME: 2 HOURS

INSTRUCTIONS:

- This paper consists of **FIVE** questions.
- Answer question **ONE (Compulsory)** and any other **TWO** questions.
- Do not write on the question paper

This paper consists of Two printed pages.

QUESTION 1 (Compulsory)

- a) What do you mean by market? Discuss the essentials and functions of market. **(20 marks)**
- b) Discuss the factors which determine the extent of market. **(10 marks)**

QUESTION 2

- a) What are the main causes of establishment of monopoly? **(10 marks)**
- b) Give arguments for and against monopoly. **(10 marks)**

QUESTION 3

- a) Give a brief view of various theories of wages determination. **(10 marks)**
- b) What are factors which affect the relative wages? **(10 marks)**

QUESTION 4

- a) Define trade cycle. Discuss different phases of a trade cycle. **(10 marks)**
- b) Give a brief view of the theories of trade cycles. **(10 marks)**

QUESTION 5

- a) Discuss the functions of commercial banks. **(10 marks)**
- b) Discuss the limitations of the creation of credit. **(10 marks)**