

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
AES 4210: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:

- Human wants
- Scarcity
- Opportunity cost
- Price mechanism
- Command economics (10mks)

b) Highlight how human life can be valued (5mks)

c) State five principles of cost benefit analysis (5mks)

d) Explain disadvantages of market economy (5mks)

e) state five factors influencing supply of a product (5mks)

Q 2.a) Discuss the challenges that are faced in resource economics allocation (10mks)

b) Explain the disadvantages of specialization of factors of production (10mks)

Q 3.a) Describe the features of planned economy (10 mks)

b) Explain five factors that may lead to an increase in the unit cost of production of a firm (10mks)

Q 4.a) Discuss the roles of international economics in the allocation of natural resources (10mks)

b) Explain the role played by the government to ensure equitable resources allocation in Kenya (10mks)

Q 5.a) Describe how Pareto efficiency philosophy explains the economics of the environment (10mks)

b) Explain three advantages and two disadvantages of command economy (10mks)