

**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 /2<sup>ND</sup> YEAR/ 2<sup>ND</sup> 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
- Pareto efficiency
- Command Economics (10mks)
- Choice
- Equilibrium price

(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)