



**TECHNICAL UNIVERSITY OF MOMBASA**

**HRD 2103 GENERAL ECONOMICS**

**ELECTRICAL&ENGINEERING**

**INSTRUCTIONS:-**

**-This paper consists of A & B**

**-Section A is compulsory. Answer any TWO questions in section B**

**-Mobile phones are not allowed into the examination room**

**-Cheating leads to disqualification**

**This paper consists of \_\_\_\_\_printed pages**

### SECTION A

- 1) a) Discuss FOUR properties of an indifference curve. (6 marks)
- b) Highlight any FOUR advantages of a partnership business in the world today (4 marks)
- c) With the aid of a clearly labeled diagram, explain the concepts of production , possibility curve and opportunity cost (6 marks)
- d) List FIVE characteristics of a perfect competitive market (5 marks)
- e) Outline FOUR assumption of the law of diminishing marginal utility in economics (4 marks)
- f) Explain FIVE functions of an economic system (5 marks)

### SECTION B

- 2) a) Discuss the key advantages of adopting privatization as an economic policy by developing countries (10 marks)
- b) Explain FIVE factors influencing the supply of a commodity (10 marks)
- 3) a) Discuss THREE methods of measuring national income (10 marks)
- b) Highlight the limitations of using national income as a basis of comparing the standard of living in different countries (10 marks)
- 4) a) Using clearly labeled diagrams, show the following perfect competitive market equilibrium in the:-
  - i) Short run
  - ii) Long run (12 marks)
- b) Explain FOUR functions of money (8 marks)
- 5) a) Explain FIVE causes of unemployment in a developing country (10 marks)
- b) Highlight the limitations of international trade (10 marks)