



TECHNICAL UNIVERSITY OF MOMBASA

Faculty of Business and Social Studies

DEPARTMENT OF BUSINESS STUDIES

UNIVERSITY EXAMINATIONS FOR DEGREE IN

BACHELOR OF BUSINESS ADMINISTRATION

BACHELOR OF COMMERCE

BFI 4202: INTERMEDIATE MACRO ECONOMICS THEORY

END OF SEMESTER EXAMINATIONS

SERIES: DECEMBER 2014

TIME: 2 HOURS

INSTRUCTIONS:

- 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) Technology is crucial in enhancing aggregate supply of goods and services in the economy. Explain **FOUR** factors that have affected the development of appropriate technology in Kenya. **(6 marks)**
- b) Examine **FOUR** problems faced by the private sector in your country. **(6 marks)**
- c) Examine **FOUR** measures a country may take to reduce economic dependence. **(6 marks)**

- d) Assess the role of politics as a cause of business cycle in an economy. **(6 marks)**
- e) Explain **FOUR** reasons for the poor performance of parastatal organizations in Less Developed Countries. **(6 marks)**

QUESTION 2

- a) What factors limit the successful implementations of monetary policy in your country? **(10 marks)**
- b) Assess the contribution of multinational corporations to the development of your country. **(10 marks)**

QUESTION 3

- a) Export promotion is one of the strategies used to improve a country's balance of payments. Assess the implications of adapting export promotion by your country **(10 marks)**
- b) Examine the limitations of development planning in LCD's. **(10 marks)**

QUESTION 4

- a) Examine the role of foreign aid in the economic development of Kenya as a country. **(10 marks)**
- b) Drive IS-LM curves diagrammatically. **(10 marks)**

QUESTION 5

- a) Examine the importance of taxation as fiscal tool. **(10 marks)**
- b) Examine the ways of improving small and medium enterprises in your country. **(10 marks)**