# TECHNICAL UNIVERSITY OF MOMBASA

## FACULTY OF ENGINEERING AND TECHNOLOGY

## DEPARTMENT OF ARCHITECTURE & BUILT ENVIRONMENT

## UNIVERSITY EXAMINATION FOR:

DIPLOMA OF QUANTITY SURVEYING

EQS 2102: GENERAL ECONOMICS I

SPECIAL/SUPPLEMENTARY EXAMINATION

**SERIES:** SEPTEMBER 2018

**TIME:** 2HOURS

**DATE:** Pick DateSep2018

**Instructions to Candidates**
You should have the following for this examination
-*Answer Booklet, examination pass and student ID*
This paper consists of **FIVE** questions. Attemptquestion ONE (Compulsory) and any other TWO questions.
**Do not write on the question paper.**

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**Question One:**

   a) Explain perfect competition as a market model (6 marks)

   b) There is a set of market conditions which are assumed to prevail in the discussion of what perfect competition might be if it were theoretically possible to ever obtain such perfect market conditions. Explain these assumptions (24 marks)

**Question Two:**

   a) Define price elasticity of demand (3 marks)

   b) Explain the determinants of price elasticity of demand (12 marks)

**Question Three:**

   a) State the law of demand (3 marks)

   b) Describe the assumptions underlying the law of demand ($7\frac{1}{2}$ marks)

   c) Explain the exceptions to the law of demand. ($4\frac{1}{2}$ marks)

**Question Four:**
   a) Define increase in demand (3 marks)
   b) State the causes of increase in demand (3 marks)
   c) Define decrease in demand (3 marks)
   d) State the causes of decrease in demand (3 marks)
   e) Explain one way a Production Possibility Curve could be used to explain economic growth (3 marks)


**Question Five:**
State and explain any five models of market structures. (15 marks)