



# TECHNICAL UNIVERSITY OF MOMBASA

---

FACULTY OF ENGINEERING AND TECHNOLOGY

DEPARTMENT OF ARCHITECTURE & BUILT ENVIRONMENT

**UNIVERSITY EXAMINATION FOR:**

**DIPLOMA OF QUANTITY SURVEYING**

**EQS 2204: GENERAL ECONOMICS II**

**SPECIAL/SUPPLEMENTARY EXAMINATION**

**SERIES: SEPTEMBER 2018**

**TIME: 2 HOURS**

**DATE: Pick Date Sep 2018**

## **Instructions to Candidates**

You should have the following for this examination

*-Answer Booklet, examination pass and student ID*

This paper consists of **FIVE** questions. Attempt question ONE (Compulsory) and any other TWO questions.

**Do not write on the question paper.**

---

## **Question One:**

- a) Define economic theory (4 marks)
- b) State and explain the two methods used in the construction of an economic theory. (8 marks)
- c) State the merits and demerits of two methods of constructing economic theory. (18 marks)

## **Question Two:**

Explain the following terms in macroeconomics: business or economic cycle, monetary policy and fiscal policy. (15 marks)

## **Question Three:**

- a) Define economic system (3 marks)
- b) The fundamental economic problem is reflected in an economy in the form of three problems which are called the central problems of an economy. Explain (12 marks)

**Question Four:**

- a) Explain the basic activities of an economy (6 marks)
- b) Define macroeconomics (3 marks)
- c) Explain the importance of macroeconomics (6 marks)

**Question Four:**

- a) Define balance of payments (3 marks)
- b) Explain three reasons why the balance of payments is important to a country. (12 marks)

**Question Five:**

- a) Define inflation (3 marks)
- b) Explain three major types of inflation (12 marks)