



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS
DEPARTMENT OF MANAGEMENT SCIENCE
UNIVERSITY EXAMINATION FOR:
BCOM/BBA
BFI4102: INTRODUCTION TO MICROECONOMICS
END OF SEMESTER EXAMINATION
SERIES: APRIL, 2022
TIME: 2 HOURS
DATE: Pick Date Apr, 2022

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) Using the following demand schedules, derive the demand curves and interpret your results. **(8 Mks)**

PRICE	QUANTITY DEMANDED
10	100
20	90
30	80
40	70
50	60
60	50
70	40
80	30

- (b) Differentiate between a monopolistic competition and perfect competition market (8Mks)
(c) Discuss **four** characteristics of indifference curves (8 Mks)
(d) Briefly discuss the **three** phases of the Law of Diminishing Marginal Product (6Mks)

Question TWO

- (a) Given Utility function $U=f(X,Y)$ where Price of Good X is 10/- and Price of Good Y is 25/-. If the Income is 1000/- compute the amount of Good X and Y that will maximize Consumers Utility. (12Mks)
(b) Highlight **Four** Sources of Monopoly Power (8Mks)

Question THREE

- (a) Explain **four** types of elasticity concepts (8Mks)
(b) Using graphs, distinguish between a change in demand and a change in quantity demanded (12 Mks)

Question FOUR

- (a) Using a relevant diagram, illustrate the determination of Price using Price Mechanism. (12Mks)
(b) Discuss **four** factors that affect supply for a commodity (8 Mks)

Question FIVE

Write short notes on the following economic concepts

- (a) Opportunity cost (5 Mks)
(b) Isoquant (5 Mks)
(c) Marginal utility (5 Mks)
(d) Production function (5 Mks)