



TECHNICAL UNIVERSITY OF MOMBASA

Faculty of Engineering and Technology

Department of Mechanical & Automotive Engineering

UNIVERSITY EXAMINATION FOR:

BFI4204:ECONOMICS AND ACCOUNTING

END OF SEMESTER EXAMINATION

SERIES:AUGUST 2024

TIME:2HOURS

DATE:Pick DateAug2024

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 1

- a) Differentiate between an indifference curve and indifference map (6mks)
- b) Define depreciation and then state the main methods used when calculating depreciation and their formulae. (10mks)
- c) Two projects have an initial cash outflow of shs 500,000 and a cash inflow as follows in shs000. The cost of capital is 10%

Year	project A	Project B
1	250	300
2	200	150
3	180	200
4	150	180

- i) Using an appropriate method appraise the above projects and advise the management accordingly. (6mks)

ii) State the advantages and disadvantages of this method (4mks)

d) In any production, there are various types of costs. State and discuss any four of these costs. (4mks)

Question 2

- a) Discuss the different methods of costing inventory. (10mks)
- b) Define breakeven point and show its purposes. (10mks)

Question 3

- a) Acquiring success in a project requires both quality control and quality assurance. Discuss (10mks)
- b) Bring up the difference between an Oligopoly and a Duopoly market. (10mks)

Question 4

- a) Clearly indicate the internal users of accounting information and how they use this information. (10mks)
- b) State and discuss any three methods used to appraise project. (10mks)

Question 5

- a) Highlight the characteristics of a perfect competition market. (10mks)
- e) Show the format of a manufacturing account (10mks)