TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF ENGINEERING AND TECHNOLOGY

DEPARTMENT OF ARCHITECTURE & BUILT ENVIRONMENT

UNIVERSITY EXAMINATION FOR:

DIPLOMA IN QUANTITY SURVEYING

EQS 2102: GENERAL ECONOMICS I

END OF SEMESTER EXAMINATION

YEAR ONE, SEMESTER TWO

SERIES: MAY 2025

TIME: 2 HOURS

DATE: MAY, 2025

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 (Compulsory) **30 marks**

(a) Define the term "economics." (2 marks)

(b) Explain FOUR factors used by firms to produce goods and services. (8 marks)

(d) Explain the following terms as used in economics:

(i) Scarcity (2 marks)

(ii) Opportunity cost (2 marks)

(iii) Increasing returns to scale (2 marks)

(iv) Short run production (2 marks)

(e) A firm's short-run total product schedule is given in the table below. Study it well and answer the questions that follow.

Labour Units	Total Product (TP)	Marginal Product (MP)
0	0	
1	8	
2	18	
3	29	
4	39	
5	47	
6	52	
7	53	
8	53	

i. Calculate the Marginal Product (MP) values for each labour unit. (5 marks)
ii. Plot Total Product (TP) and Marginal Product (MP) curves. (4 marks)
iii. Highlight the law of diminishing marginal returns. (3 marks)

QUESTION TWO **15 marks**

Explain the market equilibrium of prices and quantities for goods and services using the law of demand and supply. Show all your illustrations using the relevant curves.
(15 marks)

QUESTION THREE **15 marks**

Identify FIVE features of each of the following economic systems in the world:

a) Capitalist Economic System (5 marks)
b) Command Economic System (5 marks)
c) Mixed Economic System (5 marks)

QUESTION FOUR **15 marks**

(a) Highlight the law of demand. (2 marks)

(b) Illustrate the law of demand using a curve. (3 marks)

(c) Explain FIVE factors that cause a shift in the demand curve. (10 marks)

QUESTION FIVE **15 marks**

Identify FIVE features of each of the following market structures in an economy:

d) Oligopoly (5 marks)
e) Monopoly (5 marks)
f) Perfect competition (5 marks)