THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE

((A Constituent College of JKUAT)
(A Centre of Excellence)

Faculty of Engineering & Technology

DEPARTMENT OF BUILDING & CIVIL ENGINEERING

UNIVERSITY EXAMINATION FOR DEGREE IN BACHELOR OF SCIENCE IN BUILDING & CIVIL ENGINEERING

EBC 2103: GENERAL ECONOMICS I

SPECIAL/SUPPLEMENTARY EXAMINATION
SERIES: OCTOBER 2012
TIME: 2 HOURS

SECTION A (COMPULSORY – 30 MARKS)

a) Explain the market structures. **(8 marks)**

b) State the conditions of a perfect market. **(7 marks)**

c) Outline the main functions of money. **(6 marks)**

d) Explain the main causes of cost push inflation, with the aid of Demand and Supply curves.

(9 marks)

SECTION B (ANSWER ANY TWO QUESTIONS FROM THIS SECTION)

Question Two (20 marks)

a) Explain the term balance of payments and state how they impact on the economy of a nation.

(8 marks)

b) With the aid of Demand and Supply curves, explain the imposition of tariffs and how they impact on the international trade of a country. **(12 marks)**

Question Three (20 marks)

Use demand and supply curves to explain the following:

a) The effect of 15% increase in rental houses taxes

b) Rental houses taxes

c) Technological advancement resulting in tenfold increase in manufacture of doors and related furniture.

d) Imposition of price control on all petroleum products.

Question Four (20 marks)

a) Outline the main features of production. **(6 marks)**

b) Discuss the roles and significance of the following production factors:
  i) Land
  ii) Labour
  iii) Entrepreneurship
  iv) Capital **(14 marks)**

Question Five (20 marks)

a) Discuss the **THREE** main theories of unemployment. **(12 marks)**

b) Explain the quantities theory of money. **(8 marks)**