



THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE

(A Constituent College of JKUAT)

(A Centre of Excellence)

Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

**UNIVERSITY EXAMINATION FOR BACHELOR OF COMMERCE
(BCOM II)**

HBC 2213: INTERMEDIATE MACROECONOMICS

END OF SEMESTER EXAMINATION

SERIES: DECEMBER 2012

TIME ALLOWED: 2 HOURS

INSTRUCTIONS TO CANDIDATES:

Answer question **ONE (COMPULSORY)** and any other **TWO** questions
This paper consists of **TWO** printed pages

Question One

- a) Explain **FOUR** reasons for the poor performance of parastatal organizations in Less Developed Countries. **(6 marks)**
- b) Examine **FOUR** measures a country may take to reduce Economic dependence **(6 marks)**
- c) Examine **FOUR** problems faced by the private sector in your country. **(6 marks)**
- d) Technology is crucial in enhancing aggregate supply of goods and services in the economy. Explain **FOUR** factors that have affected the development of appropriate technology in your country. **(6 marks)**

- e) Assess the role of taxation in an economy. **(6 marks)**

Question Two

- a) Examine the role of foreign aid in the economic development of your country. **(10 marks)**

- b) Examine the ways of improving small and medium enterprises in your country. **(10 marks)**

Question Three

- a) What factors limit the successful implementations of Monetary Policy in your country? **(10 marks)**

- b) Export Promotion is one of the strategies used to improve a country's balance of payments. Assess the implications of adopting export promotion by your country. **(10 marks)**

Question Four

- a) Assess the contribution of multinational corporations to the development of your country. **(12 marks)**

- b) Examine the limitations of development planning in LDCs. **(8 marks)**

Question Five

- a) Examine **FOUR** safe Limits for Deficit Financing. **(10 marks)**

- b) Examine importance of Taxation as fiscal tool. **(10 marks)**