



THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE

(A Constituent College of JKUAT)
Faculty of Engineering and Technology

DEPARTMENT OF BUILDING AND CIVIL ENGINEERING
BACHELOR OF SCIENCE IN BUILDING & CIVIL ENGINEERING

HRD 2103: GENERAL ECONOMICS

END OF SEMESTER EXAMINATION

SERIES: APRIL 2012

TIME: 2 HOURS

Instructions to Candidates:

You should have the following for this examination

- *Answer Booklet*

This paper consists of **FIVE** questions in **TWO** sections **I & II**

Answer question **ONE (Compulsory)** and any other **TWO** questions

Maximum marks for each part of a question are clearly shown

This paper consists of **TWO** printed pages

SECTION I (Compulsory)

Question 1 (30 marks)

- Outline the evolution of money stating in each case the causal factors which led to the abandonment of one form in preference to the next mode. In your vision is the current plastic form stable or final? (11 marks)
- Outline the functions of money (9 marks)
- Discuss the central role which the central bank performs in the management of the economy of the nation (10 marks)

SECTION II (Answer any TWO questions)

Question 2

- a) Discuss the importance of international trade (8 marks)
- b) With the aid of appropriate demand and supply curves, analyze the various measures which the government could adopt to protect local business and industries from unfair external competition. Justify the use of the tariffs (12 marks)

Question 3

- a) With the aid of suitable diagrams, outline the main forms of elasticity of demand (8 marks)
- b) Determine the elasticity of demand from the schedule provide below:

Product A		Product B		Product C		
Price	demand	price	demand	price	demand	
140	10000	760	940	90	3000	
100	11000	1240	520	60	2800	(6 marks)

- c) Outline the main applications of the theory of elasticity of demand. (6 marks)

Question 4 (20 marks)

Use supply and demand schedules to analyze the effect of:

- a) Price control, in the supply of corrugated iron sheets, in the local construction industry. (6 marks)
- b) Sudden affluence in the society (6 marks)
- c) Outline the following factors of production; (8 marks)
 - (i) Entrepreneurship
 - (ii) Capital

Question 5 (20 marks)

- a) Briefly describe the following concepts of national income; (9 marks)
 - (i) Gross Domestic Product
 - (ii) Gross National Product
 - (iii) Net National Product
- b) Outline the product method of measurement of national income (5 marks)
- c) Discuss the effects of unemployment to the national economy (6 marks)