



THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE

(A Constituent College of JKUAT)

(A Centre of Excellence)

Faculty of Engineering & Technology

DEPARTMENT COMPUTER SCIENCE & INFORMATION TECHNOLOGY

**UNIVERSITY EXAMINATION FOR BACHELOR OF SCIENCE IN
COMPUTER SCIENCE & INFORMATION TECHNOLOGY
(BSC CSIT)**

BSIT 2121: INTRODUCTION TO 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) Describe Rostow's **FIVE** stages of economic growth. **(20 marks)**
- b) Explain **FIVE** characteristics of under developed countries. **(10 marks)**

Question Two

- a) Inflation takes place due to several causes. Examine **FIVE** causes of inflation. **(10 marks)**
- b) Give arguments against creation of credit, this in relation to commercial banks. **(10 marks)**

Question Three

- a) Explain in detail the main objectives of International Monetary Fund. **(10 marks)**
- b) What is economic integration? Discuss its various forms. **(10 marks)**

Question Four

- a) Write short notes on the following:
- (i) Gross Domestic Product **(2 marks)**
 - (ii) National Income **(2 marks)**
 - (iii) Treasury Bills **(2 marks)**
 - (iv) Inflation **(2 marks)**
 - (v) Quotas **(2 marks)**
- b) Discuss the methods which can be adopted to remove unemployment. **(10 marks)**

Question Five

- a) Differentiate between progressive tax system and proportional tax system. **(2 marks)**
- b) There are many principles of taxation. Explain **FOUR** principles that were presented by Adam Smith. **(8 marks)**
- c) Quantity theory of money has been criticized and rejected on several grounds. Discuss them. **(10 marks)**