



**THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE**

**(A Constituent College of JKUAT)**

(A Centre of Excellence)

# **Faculty of Engineering & Technology**

DEPARTMENT OF BUILDING & CIVIL ENGINEERING

**DIPLOMA IN CIVIL ENGINEERING**

**DIPLOMA IN BUILDING & CIVIL ENGINEERING**

BLC 2103: ECONOMICS FOR ENGINEERS

**END OF SEMESTER EXAMINATION**

**SERIES: AUGUST 2012**

**TIME: 2 HOURS**

**Instructions to Candidates:**

You should have the following for this examination

- *Answer Booklet*
- *Calculator*

This paper consists of **FIVE** questions. Answer **THREE** questions  
Maximum marks for each part of a question are as shown  
This paper consists of **TWO** printed pages

**Question One (20 marks)**

- a) Briefly explain the following types of inflation.
- i) Demand-pull (5 marks)
  - ii) Cost push (5 marks)
  - iii) Pricing power (5 marks)
  - iv) Sectoral inflation (5 marks)

**Question Two (20 marks)**

- a) Define the following terms:
- i) Macro-economics
  - ii) Gross domestic product. (6 marks)
- b) Describe the **FOUR** streams of expenditures that go into computing the G.D.P (14 marks)

**Question Three (20 marks)**

- a) State **FOUR** purposes for taxation. (4 marks)
- b) Briefly explain the power for advertising. (8 marks)
- c) Briefly explain the function of equity market. (8 marks)

**Question Four (20 marks)**

- a) State roles played by Commercial banks. (10 marks)
- b) Explain the benefits of buying a bond. (4 marks)
- c) Differentiate between a bond-holder and share holder. (6 marks)

**Question Five (20 marks)**

- a) State the benefits of having a C.D.S account. (8 marks)
- b) Briefly explain the procedure of opening C.D.S accounts. (6 marks)
- c) State **SIX** qualities of good money material (6 marks)