



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

Instructions to Candidates:

You should have the following for this examination

- *Answer Booklet*

This paper consists of **FIVE** questions. Answer question **ONE (COMPULSORY)** any other **TWO** questions

Maximum marks for each part of a question are as shown

This paper consists of **TWO** printed pages

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)**