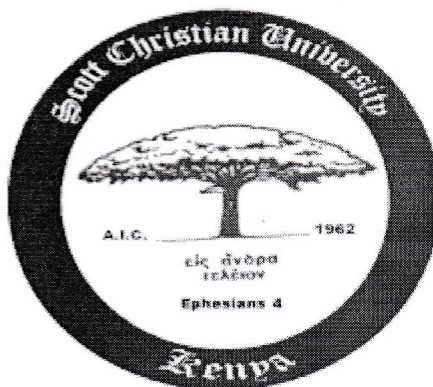




SCOTT CHRISTIAN UNIVERSITY

P.O.BOX 49, 90100, MACHAKOS, KENYA

TEL :(+254)0713745404/0734833832

Email:info@scott.ac.ke

Website:www.scott.ac.ke

FACULTY: SCHOOL OF PROFESSIONAL STUDIES

BBA 103: INTRODUCTION TO ECONOMICS - DAY

MAIN CAMPUS – REGULAR PROGRAM EXAMINATION

DATE: APRIL 2016 TIME: 3 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Answer **Any Five Questions**. All Questions carry equal Marks.
2. Write your registration number on the answer book provided.
3. Use a new page for every question attempted and indicate the question number on the space provided on each page of the answer sheet.
4. Switch off all mobile phones, Tablets and Pads and all should be put in a designated area.

QUESTION ONE

- a) Discuss **five** features common to all Economic systems. (10 Marks)
- b) Analyze any **five** important uses of National Income Accounts. (10 Marks)

QUESTION TWO

- a) State the meaning of the term supply. (2 Marks)
- b) State **five** conditions that may make a general equilibrium not to be realized. (5 Marks)
- c) Analyze **five** factors affecting change in supply. (10 Marks)
- d) Define the following terms;

- i) Market (1 Mark)
- ii) Perfect competition (2 Marks)

QUESTION THREE

- a) With the aid of a graphical illustration, discuss the **three** stages of the production function. (10 Marks)
- b) Graphically illustrate equilibrium price and in the same, show and explain surplus and shortage. (10 Marks)

QUESTION FOUR

- a) Describe any **three** important aggregates developed in National Income Accounting. (6 Marks)
- b) Explain any **four** sources of spending in a government. (8 Marks)
- c) Describe **three** effects of price controls by the government on market outcomes. (6 Marks)

QUESTION FIVE

- a) Analyze **five** necessary conditions of a perfect competition. (10 Marks)
- b) Describe **five** effects of price floors set by the government on market outcomes. (10 Marks)

QUESTION SIX

- a) Discuss any **four** determinants of demand. (8 Marks)
- b) State the meaning of the following terms.
 - i) Law of demand. (2 Marks)
 - ii) Marginal utility. (2 Marks)
 - iii) Elasticity of demand. (2 Marks)
 - iv) Opportunity cost. (2 Marks)
- c) Describe any two elasticities of demand. (4 Marks)

QUESTION SEVEN

- a) Differentiate between partial and general equilibrium. (5 Marks)
- b) Describe **five** ways an economist can use to evaluate investment opportunities. (10 Marks)
- c) Describe any **two** market structures. (5 Marks)