



MACHAKOS UNIVERSITY COLLEGE

(A Constituent College of Kenyatta University)

University Examinations 2013/2014

SCHOOL OF BUSINESS AND ECONOMICS
DEPARTMENT OF ACCOUNTING AND SECRETARIAL

Examination for Dip in cooperative management – Year 2

Economics

Date: 18/7/2014

Time: 2¹/₂ Hrs

Instructions

Answer any five questions.

All questions carry equal marks.

All phones are to be switched off.

Any form of irregularity will lead to automatic disqualification.

1. a) Define the term “terms of trade” (2 marks)
b) What are the obstacles to effective integration in developing countries (8 marks)
c) Explain the basic forms of economic integration. (10 marks)
2. a) Explain the concept “commercial policy” as used in international trade. (2 marks)
b) Highlight the various advantages and disadvantages of protection policy in international trade. (18 marks)
3. a) Highlight briefly characteristics of developing countries. (14 marks)
b) Write brief notes on the following concepts
i. Economic planning (2 marks)
ii. Economic development (2 marks)
iii. Economic growth (2 marks)
4. a) State and explain the major causes of dis-equilibrium in balance of payment account. (10 marks)
b) Briefly highlight the factors leading to persistent fall in terms of trade in Africa. (10 marks)
5. a) Discuss the challenges of agricultural development in less developed countries. (20 marks)
6. What are the main challenges facing industries in Africa. (20 marks)
7. Explain how small scale industries contribute to industrial development. (20 marks)