



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year
SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ACCOUNTING BANKING AND FINANCE

..... YEAR FIRST SEMESTER EXAMINATION FOR

DIPLOMA IN HUMAN RESOURCE MANAGEMENT

ECONOMICS

DATE:

TIME:

INSTRUCTIONS:

- 1) Answer all the questions.
- 2) Do not write on the question paper.

1. State and explain in details the three (3) forms of economics systems citing their merits or demerits if any. (10 marks)
2. a) State four features that may lead to a shift in the supply curve. (4 marks)
b) The following data refers to the demand for commodity X in the economy of market "WYE" at different prices.

Price(ksh)	30	20	15	10	5
Demand for X (units in millions)	2.5	5	8	15	25

Required:

- Sketch the demand curve for commodity X using the information given above. (6 marks)
3. Highlight five factors that can cause a shift in the demand curve of a commodity. (10 marks)
4. Highlight the factors that may lead to an increase in the demand of a commodity. (10 marks)
5. State and explain briefly four branches of economics. (10 marks)
6. Explain the factors that could lead to a drop in the quantity of a commodity supplied in the market (10 marks)
7. a) Define the term demand. (2 marks)
b) Define the term supply. (2 marks)
c) State and explain briefly the characteristics of perfectly competitive market structure (8 marks)

8. What are the sources of monopoly power in the market? (10 marks)
9. State and explain the four factors of production (10 marks)
10. a) State and explain three types of production processes. (9 marks)
- b) Define the term production. (1 mark)