



# **MACHAKOS UNIVERSITY**

**University Examinations for 2019/2020 Academic Year**

**SCHOOL OF BUSINESS AND ECONOMICS**

**DEPARTMENT OF BUSINESS ADMINISTRATION**

**FIRST YEAR THIRD SEMESTER EXAMINATION FOR**

**DIPLOMA IN SUPPLY CHAIN MANAGEMENT**

**DIPLOMA IN BUSINESS MANAGEMENT**

**2906/105: ECONOMICS**

**DATE: 16/12/2020**

**TIME: 8.30-11.30 AM**

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**INSTRUCTIONS:**

***CHOOSE ANY FIVE QUESTIONS, NO EXAM CHEATING.***

1. a) Explain Five major factors that cause demand for goods and services in Tagaza Market. (10 marks)
- b) Explain the determinants of demand elasticity in the economy (10 marks)
2. a) Marimba a manufacturing company wants to produce goods and services to sell in a market. Advise this firm by explaining the factors that influence the best products to produce. (10 marks)
- b) Describe the benefits of delocalizing firms within an economy (10 marks)
3. a) Explain the common problems encountered when measuring the national income of a country. (10 marks)
- b) Highlight the major uses of national income statistics in the Kenya economy (10 marks)
4. a) Inflation causes raise in prices of all commodities in a market. Explain the measures that may be taken to control inflation in Kenya (10 marks)
- b) Explain the causes of payments disequilibrium in international trade (10 marks)
5. a) Explain the goals of economic development in Kenyan economy (10 marks)
- b) Explain the advantages of large population to a country like Nigeria (10 marks)

6. a) Explain the main sources of public finance for the government of Kenya. (10 marks)
- b) Describe the current emerging trends and issues in economics (10 marks)
7. Discuss the four major types of product markets in any economy of the world. (20 marks)