



MACHAKOS UNIVERSITY

University Examinations for 2017/2018 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BANKING, ACCOUNTING & FINANCE

FIRST YEAR FIRST SEMESTER EXAMINATION FOR DIPLOMA IN
ACCOUNTANCY

DACC 105: MICRO ECONOMICS

DATE: 18/12/2017

TIME: 2:00 – 4:00 PM

INSTRUCTIONS:

1. Answer question one compulsory and any other two question.
 2. any form of examination irregularity leads to automatic disqualification.
 3. Additional instructions are contained in the answer booklet
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1.
 - a) Explain briefly four types of demand (10 marks)
 - b) Explain briefly the sources of abnormal demand curve. (6 marks)
 - c) What are the main factors which may influence the demand of a commodity in the market. (14 marks)
 2.
 - a) Briefly explain the four branches of economics. (10 marks)
 - b) Explain various types of economic systems. (10 marks)
 3.
 - a) Explain the levels of production. (6 marks)
 - b) Explain the various economies of scale. (14 marks)
 4.
 - a) What factors may influence the supply of a commodity in the market (10 marks)
 - b) Graphically explain shifts of the supply curve. (10 marks)
 5.
 - a) List and Explain the characteristics of perfect completion market structure. (10 marks)
 - b) What are the key sources of monopoly powers. (10 marks)