



# MACHAKOS UNIVERSITY COLLEGE

(A Constituent College of Kenyatta University)

University Examinations 2015/2016

SCHOOL OF ENGINEERING AND TECHNOLOGY

DEPARTMENT OF BUILDING AND CIVIL ENGINEERING

SECOND SEMESTER EXAMINATION FOR DIPLOMA IN CIVIL ENGINEERING

BCECD 110: ECONOMICS FOR ENGINEERS

Date: 18/4/2016

Time: 2:00 – 4:00 PM

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## ***INSTRUCTIONS***

*This paper consists of FIVE questions*

*Answer question one and any other two questions in this paper*

### **QUESTION ONE**

- (a) (i) Briefly explain the following terms;
- Treasury bills
  - Merchant books
  - Stock exchange (6 marks)
- (ii) List down two types of shares. (2 marks)
- (b) Discuss five main sources of authority (10 marks)
- (c) Briefly discuss stages involved in the development of money throughout the history of civilization to present day. (9 marks)
- (d) Distinguish between wealth and income (3 marks)

### **QUESTION TWO**

- (a) List down five characteristics of ordinary shares (5 marks)
- (b) Outline six primary functions of money (6 marks)
- (c) List down and briefly explain three main instruments of credit (9 marks)

### **QUESTION THREE**

- (a) Explain the following terms as used in the organization structure of a firm:
- (i) Authority
  - (ii) Responsibility
  - (iii) Accountability
  - (iv) Lateral relationship
  - (v) Functional relationship (15 marks)
- (b) List down five characteristics of ordinary shares (5 marks)

### **QUESTION FOUR**

- (a) Explain the following terms as used in banking:
- (i) Cheque
  - (ii) Bank drafts
  - (iii) Bill of exchange
  - (iv) Promissory note (8 marks)
- (b) Mention six qualities of good money in order for it to perform its functions most appropriately (6 marks)
- (c) State six qualities of good shares (6 marks)

### **QUESTION FIVE**

- (a) Explain the following terms:
- (i) Stock exchange
  - (ii) Capital market
  - (iii) Share
  - (iv) Bond (10 marks)
- (b) Outline five benefits of owning shares in a company/firm (5 marks)
- (c) List down five functions of a stock exchange (5 marks)