MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FIRST YEAR FIRST SEMESTER EXAMINATION FOR

DIPLOMA IN SUPPLY CHAIN MANAGEMENT

DIPLOMA IN BUSINESS ADMINSTRATION

2903/105: ECONOMICS

DATE: 16/4/2019 **TIME: 8:30 – 11:30 AM**

INSTRUCTIONS:

ATTEMPT ANY FIVE QUESTIONS.

1. a) Define the law of demand. (2 marks)
   b) Highlight the exceptions to the law of demand. (8 marks)
   c) Explain five major factors affecting supply of sugar in Makueni county. (10 marks)
2. a) Explain five factors affecting demand of a bread in Machakos town. (10 marks)
   b) Explain the causes of abnormal demand in the economy. (10 marks)
3. a) Discuss ways of determining the size of a firm (10 marks)
   b) Explain the reasons for the existence of small firms in the economy (10 marks)
4. a) Outline the external diseconomies of scale to a company. (10 marks)
   b) Explain the positive effects of inflation in an economy (10 marks)
5. a) Describe the causes of unemployment in Kenya. (10 marks)
   b) Highlight Five different types of unemployment. (10 marks)
6. Discuss the types of market structures giving their characteristics. (20 marks)
7. Discuss the factors that determine fertility rate in Kenya. (20 marks)