MACHAKOS UNIVERSITY

University Examination 2018/2019

SCHOOL OF ENGINEERING AND TECHNOLOGY

DEPARTMENT OF BUILDING AND CIVIL ENGINEERING

FIRST YEAR SECOND SEMESTER EXAMINATION FOR

DIPLOMA IN CIVILENGINEERING

BCECD110: ECONOMICS II

DATE: **TIME:**

Instructions to candidates

This paper comprises five questions

Question one is **compulsory** and carries 30marks

Attempt **any other two** questions

Marks for each question are as shown

QUESTION ONE (COMPULSORY) (30 MARKS)

a) i) Explain the main role of stock exchange.

ii) Outline the following types of shares:

i) equity

ii) cumulative preference shares

iii) irredeemable debentures (10 marks)

b) List down and explain five roles played by commercial banks. (10 marks)

c) i) Enumerate five functions of money

ii) Outline five qualities of good money (10 marks)

QUESTION TWO (20 MARKS)

a) Explain the following terms as used in banking:

i) cheque

ii) bank drafts

iii) Bill of exchange

iv) capital market (8 marks)

b) List down and briefly explain three instruments of credit. (9 marks)

c) Distinguish between wealth and capital (3 marks)

QUESTION THREE (20 MARKS)

a) List down five factors of efficiency of labour (5 marks)

b) Describe the term division of labor and mention three advantages and three disadvantages of division of labor. (8 marks)

c) Enumerate seven forms of capital (7 marks)

QUESTON FOUR (20 MARKS)

a) Illustrate an organization structure of a medium sized construction firm (10 marks)

b) Explain the role of the following site personnel:

i) quantity surveyor

ii) Site agent

iii) client

iv) foreman (10 marks)

QUESTION FIVE (20MKS)

a) Discuss five types of banks (15 marks)

b) Explain the term credit transfer in banking. (5 marks)