



# MACHAKOS UNIVERSITY COLLEGE

(A Constituent College of Kenyatta University)

University Examinations for 2014/2015

SCHOOL OF ENGINEERING AND TECHNOLOGY

DEPARTMENT OF BUILDING AND CIVIL ENGINEERING

EXAMINATION FOR DIPLOMA IN CIVIL ENGINEERING, DIPLOMA IN BUILDING  
CONSTRUCTION TECHNOLOGY

BCECD110 ECONOMICS FOR ENGINEERS

DATE: 8/4/2015

TIME: 8:30 – 10:30 am

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## Instructions

- *Answer three of the following five questions*
  - *Question one is compulsory and carries 30 marks*
  - *Answer any other two questions*
1. a) Draw an organization structure of a firm with 100 employees spread in three different geographical locations. (10 marks)
  - b) Discuss the main five sources of authority. (10 marks)
  - c) Explain why it is vital to delegate balanced authority and power, and why it is not possible to delegate responsibility. (10 marks)
  2. a) Explain the evolution of money from exchange in commodity to the current use of plastic cards. (10 marks)
  - b) List down five functions of money. (5 marks)
  - c) Outline five qualities of good money. (5 marks)
  3. A) Explain the following terms:
    - i) Bill of exchange
    - ii) Promisory note

- iii) Standing order (6 marks)
  - b) List down and explain five roles played by commercial banks. (10 marks)
  - c) Differentiate between a bankers cheque and an order cheque. (4 marks)
4. Explain the role played by the central bank of Kenya. (20 marks)
5. A) Explain the following terms:-
- i) Stock exchange
  - ii) Stock dealer
  - iii) Capital market
  - iv) Share
  - v) Bond (10 marks)
- b) Outline five benefits of owning shares. (5 marks)
  - c) State five qualities of good shares. (5 marks)