



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 CIVIL ENGINEERING
BCECD110: ECONOMICS II

DATE: 3/5/2019

TIME: 8:30 – 10:30 AM

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 (20 MARKS)

- a) Discuss five types of banks (15 marks)
- b) Explain the term credit transfer in banking. (5 marks)