MACHAKOS UNIVERSITY

University Examinations 2022/2023
DIRECTORATE TVET
SECOND YEAR FIRST TERM END OF TERM EXAM FOR
CRAFT IN SUPPLY CHAIN MANAGEMENT 1903/205
CRAFT IN BUSINESS MANAGEMENT 1906/205
MODULE 2 ECONOMICS

DATE: 29/3/2023 TIME: 11:30 – 2:230 PM

INSTRUCTIONS TO CANDIDATES

This paper consists of ***two sections***
Answer ***ALL*** *questions in section* ***A*** *and any four in section* ***B****.*
Candidates should answer the questions in English

Section A (32 marks)

1. Give the meaning of Giffen goods (2 marks)
2. Human wants have certain characteristics. Highlight four such characteristics (4 marks)
3. State the meaning of Goods of ostentation (2 marks)
4. List three forms of abnormal demand curves. (3 marks)
5. State four factors that make human wants unlimited (4 marks)
6. State three reasons that make it difficult to satisfy human wants. (3 marks)
7. Outline two differences between substitutes and complementary goods (4 marks)
8. State four reasons that contribute to the rise in demand for private cars in the country. (4 marks)
9. Differentiate between positive and normative economics (4 marks)
10. Define Habitual goods (2 marks)

Section B (68 marks)

11. (a) There are certain decisions a producer makes as a result of economic scarcity of resources. Explain for such decisions. (8 marks)
    (b) Highlight five reasons that make a controlled economic system undesirable to many countries (9 marks)
12. (a) Elasticity of demand is influenced by certain factors. Explain six such factors. (9 marks)

(b) Outline four ways in which a government may promote growth of private sector in the country. (8 marks)

13. (a) Outline four reasons that may lead to an inward shift in the demand curve. (8 marks)
    (b) Explain factors that could influence the supply of a commodity in a given country (9 marks)

14. (a) Identify advantages of a planned economic system (9 marks)
    (b) Highlight four factors that affect price elasticity of demand. (8 marks)

15. (a) Describe four features of land as a factor of production (8 marks)
    (b) Explain factors that affect price of a given product. (9 marks)