

KENYA METHODIST UNIVERSITY

SCHOOL OF BUSINESS AND ECONOMICS

ECON 102: PRINCIPLES OF MACROECONOMICS

ASSIGNMENT

Question One

- a) Explain the extent to which national income figures accurately reflect changes in the standard of living of a country over a period of time.
- b) Discuss the likely factors that may have been behind the recent banking crisis in the developing countries and state some of the implication of such a crisis

Question Two

- a) Discuss the reasons why free trade is often advocated in theory yet rarely followed by countries in practice.
- b) Discuss the objectives of the International Monetary Fund and explain the different facilities that are available for countries seeking financial assistance.

Question Three

- a) For what reasons might a government decide to influence the location of industries to different parts of the country.
- b) Why has the government of Kenya been unsuccessful in influencing the location of industries outside the major urban areas?

Question Four

- a) To what extent would the success of a development plan depend on its financial realism and the quality of its individual projects?
- b) What are the general directives of social policy would you recommend for your country's next development plan