



**MASENO UNIVERSITY**  
**UNIVERSITY EXAMINATIONS 2013/2014**

**FIRST YEAR SECOND SEMESTER EXAMINATIONS FOR DIPLOMA  
IN COMMUNITY DEVELOPMENT  
(HOMA BAY CAMPUS)**

**DDC 0110: INTRODUCTION TO MACRO-ECONOMICS**

*Date: 5<sup>th</sup> April, 2014*

*Time: 11.00am - 1.00pm*

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**INSTRUCTIONS:**

- Answer QUESTION ONE and any other TWO questions.

**INSTRUCTIONS: Answer question ONE and any TWO questions**

1. (a) Discuss THREE methods of computing or measuring national income of an economy.  
(b) Discuss the difficulties encountered in computing national income accounts.
2. (a) Explain briefly, *five* functions of money.  
(b) Discuss five qualities of good money material.
3. (a) Discuss the **four** different types of inflation that any country may experience.  
(b) Explain four major causes of inflation.
4. Discuss the reasons why different countries have to protect their domestic markets from imports.
5. (a) State five causes of unemployment  
(b) Citing relevant examples, discuss five measures that can be used to minimize or eliminate unemployment.
6. (a) What is Central Bank?  
(b) Citing relevant examples, discuss four major functions of central bank.