



**MASENO UNIVERSITY**  
**UNIVERSITY EXAMINATIONS 2014/2015**

**FIRST YEAR SECOND SEMESTER EXAMINATIONS FOR THE  
DIPLOMA IN COMMUNITY DEVELOPMENT  
(CITY CAMPUS)**

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

Date: 24<sup>th</sup> March, 2014

Time: 2.00 - 4.00 p.m.

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**INSTRUCTIONS:**

- Answer **THREE** questions.



(CITY CAMPUS)

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

**INSTRUCTION: ANSWER THREE QUESTIONS**

1. Explain the circular flow of income in a two sector economy.
2. Explain five types of unemployment.
3. Explain ways in which a central Bank controls the activities of the commercial Banks.
4. Explain factors that may cause of balance of payment disequilibrium
5. Discuss the determinants of the money supply.