



MASENO UNIVERSITY

UNIVERSITY EXAMINATIONS 2015/2016

**FIRST YEAR FIRST SEMESTER EXAMINATION FOR THE DEGREE OF
BACHELOR OF ARTS IN URBAN & REGIONAL PLANNING WITH
INFORMATION TECHNOLOGY**

CITY CAMPUS - REGULAR

PUR 114: ECONOMICS AND PLANNING

Date: 4th December, 2015

Time: 9.00 - 11.00 am

INSTRUCTIONS:

- Answer question ONE and any other TWO questions.

PUR 114: Economics and Planning

(City Campus)

Answer THREE Questions. Question 1 is compulsory

1. Discuss the nature of development planning in developing economies.
(30 Marks)

2. Discuss **FIVE** major economic problems that a country can face. **(20 Marks)**

3. Discuss the Production Possibility Curve as a basic tool in economic analysis. Explain why and how it shifts. **(20 Marks)**

4. The informal sector is becoming an even larger part of the economy of developing countries. Discuss its positive and negative aspects. **(20 Marks)**

5. Write short notes explaining the following concepts as used in economic analysis:
(20 Marks)
 - a) The law of diminishing marginal utility
 - b) Elasticity of demand
 - c) Luxurious and Giffen goods
 - d) Gini coefficient

6. Discuss any **five** economic characteristics of developing countries and explain their implications in national development. **(20 Marks)**