

**W1-2-60-1-6**

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY**

# **UNIVERSITY EXAMINATIONS 2014/2015**

**THIRD YEAR FIRST SEMESTER SPECIAL/SUPPLEMENTARY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS AND OFFICE**

**MANAGEMENT**

**HBC 2125 : INTRODUCTION TO MACROECONOMICS**

**AND**

**SECOND YEAR FIRST SEMESTER EXAMINATION FOR DEGREE OF BACHELOR OF BUSINESS INFORMATION TECHNOLOGY**

**HBT 2201: MACROECONOMICS**

**SECOND YEAR FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR DEVELOPMENT STUDIES**

**HBC 2207 : INTRODUCTION TO MACROECONOMICS**

**FIRST YEAR SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF COMMERCE**

**HBC 2111 : INTRODUCTION TO MACROECONOMICS**

**DATE: AUGUST 2014 TIME: 3 HOURS**

**INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTION S**

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**QUESTION ONE**

1. Briefly compare and contrast between macroeconomics an micro economics [6 marks]
2. Discuss the main economic shocks which have been experienced since 1920’s. [6 marks]
3. What are the key issues which constitute macroeconomics? [6 marks]
4. Clearly describe the concept of business cycles. [6 marks]
5. What are the key issues which are associated with unemployment rates? [6 marks]

**QUESTION TWO**

1. The way in which economics of states functions can be explained through circular flow. Discuss. [12 marks]
2. What are the key aims of macroeconomics ? [8 marks]

**QUESTION THREE**

1. Clearly distinguish the income approach from the expenditure approach of national income determination [12 marks]
2. What are the explanation as to why expenditure appears to match with total income within the circular flow [8 marks]

**QUESTION FOUR**

1. What are the five techniques used by governments in controlling the level of money in circulation and advancing macro economic objectives? [10 marks]
2. What are the main roles of financial markets and institutions in an economy. [10 marks]