



MASENO UNIVERSITY

UNIVERSITY EXAMINATIONS 2012/2013

SECOND YEAR TWO SEMESTER EXAMINATIONS FOR THE CERTIFICATE IN HOSPITALITY & TOURISM OPERATIONS (CITY CAMPUS)

SEH 0029: PRINCIPLES OF ECONOMICS

Date: 12th August, 2013

Time: 2.00 – 4.00 p.m.

CERTIFICATE IN HOSPITALITY MANAGEMENT
SECOND YEAR, SEMESTER TWO EXAMINATION
SEH0029: PRINCIPLES OF ECONOMICS
(CITY CAMPUS)

INSTRUCTIONS

1. ANSWER ALL THE QUESTIONS IN SECTION A
2. ANSWER ONLY ONE QUESTION IN SECTION B
3. ANSWER ALL QUESTIONS IN THE ANSWER BOOKLET PROVIDED

SECTION A

ANSWER ALL THE QUESTIONS IN THIS SECTION

1. State the law of supply and law of demand. (4 marks)
2. Describe the factors of production (4 marks)
3. Discuss the different activities which lead to the production of goods and service. (11 marks)
4. Give four advantages and five disadvantages of division of labour. (9 marks)
5. Identify five influences on the location of industry. (5 marks)
6. Explain five characteristics of a perfectly competitive market. (10 marks)
7. Define "money" and give four functions of money and five characteristics of money. (11 mark)

SECTION B

ANSWER ONLY ONE QUESTION IN THIS SECTION

8.
 - a. Define the term "profit" and state the types and features of profit. (10 marks)
 - b. Define "pure monopoly" and explain two barriers to entry of firms into a monopoly status. (6 marks)
9. Explore the determinants of quantity demanded. (16 marks)

10.

a. What does the term “supply” mean?

(2 marks)

b. Explain the determinants of quantity supplied.

(14 marks)