



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2016/2017

**FIRST YEAR SECOND SEMESTER EXAMINATION FOR THE
DEGREE OF BACHELOR OF ARTS (ECONOMICS) WITH
INFORMATION TECHNOLOGY**

MAIN CAMPUS

AEC 106: COMPARATIVE ECONOMIC SYSTEMS

Date: 19th June, 2017

Time: 8.30 - 11.30am

INSTRUCTIONS:

- Answer Question ONE and any other THREE

Q 1.

(a) Briefly explain the Modern Capitalistic Systems and African Socialism, giving their strengths and weaknesses. (10 mks)

(b) Explain causes of market failures in developing economies (5 mks)

(c) Explain the effect of unequal distribution of income on acceleration of economic growth in different economic systems (10 mks)

Q 2. (a) Discuss the command economic systems (7.5 mks)

(b) Why is Karl Marxian Socialism argument irrelevant for African Socialism? (7.5 mks)

Q 3. The classical, Neo-classical and Counter Revolutionist argued for capital stock accumulation as a necessary condition for acceleration of economic growth. Justify this argument. (15 mks)

Q 4. Justice, freedom and social welfare are the key goals of economic systems. Justify this argument on different economic systems (15 mks)

Q 5. Discuss the economic questions and their solutions for different economic systems (15 mks)

Q 6. What do you know about two of the following?

i. Laissez-faire economy (7.5 mks)

ii. Perfect-competitive market structure (7.5 mks)

iii. Monopolistic market structure (7.5 mks)

iv. Mixed economies (7.5 mks)
