



UNIVERSITY OF NAIROBI

UNIVERSITY EXAMINATIONS 2019/2020

FIRST YEAR EXAMINATION FOR THE DEGREE OF BACHELOR OF
SCIENCE AND BACHELOR OF SCIENCE IN COMPUTER SCIENCE

CCS 009: ELEMENTS OF ECONOMICS

DATE: DECEMBER 10, 2019

TIME: 2:00 P.M. – 4:00 P.M.

INSTRUCTIONS:

Answer any THREE Questions.

QUESTION ONE:

- a) Explain five factors that cause a rightward shift in the supply curve.
- b) Outline and discuss five factors that cause a leftward shift in the demand curve.
- c) Differentiate between 'change in demand' and 'change in the quantity demanded'.
- d) Explain the four ways to represent the law of demand.

QUESTION TWO:

- a) Differentiate between the following:
 - i) Nominal GDP and Real GDP
 - ii) GNP and GDP
 - iii) NNP and NDP
 - iv) Broad money and transactions money
- b) Discuss the importance of national income statistics
- c) List and explain five limitations of national income statistics

QUESTION THREE:

- a) Distinguish between economic growth and economic development
- b) List and explain six factors that directly affect the rate of economic growth

- c) Describe the four important contributors to productivity growth
- d) Explain five causes of high cost of living in Kenya

QUESTION FOUR:

- a) Explain the dimensions and the drivers of economic globalization
- b) Discuss the limitations of economic globalization
- c) List and explain five non-tariff barriers to trade
- d) Discuss the rationale behind regional integration

QUESTION FIVE:

- a) Discuss seven reasons why an economy needs a public sector.
- b) Explain why students of your course are taught elements of economics
- c) Write detailed notes on the following:
 - i) Disguised (hidden) unemployment
 - ii) Net factor incomes from abroad
 - iii) Psychic income
 - iv) Money (credit) creation
 - v) M3.