

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

## JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

**UNIVERSITY EXAMINATIONS 2018/2019**

**SPECIAL/SUPPLEMENTARY EXAMINATIONS FOR THE DEGREE OF BACHELOR OF SCIENCE IN MEDICAL LABORATORY SCIENCES**

**HRD 2103: GENERAL ECONOMICS**

**DATE: JUNE 2019 TIME: 2 HOURS**

INSTRUCTIONS: ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE

1. A political activist has presented a case to court arguing that the new money cannot be used in Kenya as a medium of exchange. As a student of economist why do you think the activists is wrong in his argument (8 marks)
2. With an aid of a diagram illustrate and explain why firms in an oligopoly market structures have sticky prices (8 marks)
3. State four limitations of using national income statistics to compare living standards of a county for different periods (4 marks)
4. The demand and supply equation of a good are given as:

Qd=15-0.5P

Qs=3+2P

Calculate the total revenue if the company sells 1000 units (4 marks)

1. State factors that affect demand of a commodity in a given market (6 marks)

QUESTION TWO

1. Countries may resort to protecting their young industries. Discuss forms of protection that can be used by such a country (10 marks)
2. State and explain any five benefits of economic integration (10 marks)

QUESTION THREE

1. Distinguish between micro-economics and macro-economics and state the areas covered by each branch of economics (6 marks)
2. What are the difficulties of measuring national income (8 marks)
3. With an aid of a diagram explain the law of supply (6 marks)

QUESTION FOUR

1. An economy that is centered on capitalism is better than a command system. In your view give arguments to support this statement (10 marks)
2. Define the following terms as used in economics
3. Normal goods
4. Inferior goods
5. Giffen goods
6. Marginal utility
7. Indifference curve (2 marks each)