

**UNIVERSITY OF KABIANGA**

**UNIVERSITY EXAMINATIONS**

**2014/2015 ACADEMIC YEAR**

**THIRD YEAR SECOND SEMESTER EXAMINATION**

**FOR THE DEGREE OF BACHELOR FO ARTS (ECONOMICS)**

**COURSE CODE: *ECO 320***

**COURSE TITLE: COMPARATIVE ECONOMIC SYSTEMS**

**INSTRUCTIONS:**

Answer question **ONE** and any other **THREE** questions.

**QUESTION ONE**

1. Define the following terms:
2. Economic system. (2 marks)
3. Comparative economic system. (2 marks)
4. Economic planning. (2 marks)
5. Highlight the main reasons why economic systems differ worldwide. (6 marks)
6. Explain how decentralization in the goods market and factor markets can solve the central problem of an economy. (6 marks)
7. Highlight the major changes that have taken place in the economy of Kenya since independence with regards to the transfer of ownership in the major sectors of the economy. (7 marks)

**QUESTION TWO**

1. What objectives does Kenya’s strategy of district focus for rural development attempted to achieve? (5 marks)
2. Explain the problems that Kenya faced in the implementation of the strategy in (a) above. (10 marks)

**QUESTION THREE**

1. Development planning is a necessity in developing countries. Justify. (10 marks)
2. Briefly explain five barriers to effective economic planning in Africa. (5 marks)

**QUESTION FOUR**

1. Differentiate between static and dynamic efficiency. (3 marks)
2. Highlight the major characteristics of the neo-classical theory of market economy. (8 marks)
3. Define the following terms: (4 marks)
4. Justice
5. Peace
6. Freedom
7. Community

**QUESTION FIVE**

1. Highlight six characteristics of a mixed economic system. (6 marks)
2. Explain how economic planning is undertaken in a mixed economic system. (7 marks)
3. State two characteristics of capitalist economic system. (2 marks)

**QUESTION SIX**

1. Explain four types of ownership rights. (8 marks)
2. Briefly explain how different ownerships affect economic outcomes. (7 marks)