

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

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

# **UNIVERSITY EXAMINATIONS 2018/2019**

SECOND YEAR FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF BPAL

**HPG 2203 : GENERAL ECONOMICS**

DATE: DECEMBER 2018 TIME: 2 HOURS

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**INSTRUCTIONS:**

**ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS**

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**QUESTION ONE [30 MARKS] [COMPULSORY]**

1. Define the following terms as used in economics
2. Macro economics [2 marks]
3. Micro economics [2 marks]
4. Giffen goods [2 marks]
5. Indifference curves [2 marks]
6. Marginal product [2 marks]
7. Give the different utilities in production [8 marks]
8. The market for a good on a certain market was given by the equation:-

X = 500 +25p

X = 100 + 40p

1. Identify the demand and supply functions [2 marks]
2. Determine the market equilibrium price and quantity [6 marks]
3. Give the disadvantages of a free market systems [4 marks]

**QUESTION TWO [20 MARKS]**

1. Distinguish between cardinal and ordinal approach to the marginal utility. [10 marks]
2. Analyze the properties of indifference curves [10 marks]

**QUESTION THREE [20 MARKS]**

1. Give the characteristics of monopolistic competition [10 marks]
2. Explain two sources of internal economies of scale [10 marks]

**QUESTION FOUR [20 MARKS]**

1. Analyze the difficulties in measuring national income [10 marks]
2. Define inflation and bring out the impact of it in the economy. [`10 marks]

**QUESTION FIVE [20 MARKS]**

1. Discuss the types of unemployment in the economy [10 marks]
2. Bring out the different phases of a business cycle [10 marks]