KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2022/2023 ACADEMIC YEAR
FIRST YEAR, FIRST SEMESTER EXAMINATION
FOR THE DIPLOMA IN ACCOUNTING
DBA 1102- ECONOMICS

Date: 15TH DECEMBER 2022
Time: 8.30 am – 10.30 am

INSTRUCTIONS TO CANDIDATES
ANSWER QUESTIONONE (COMPULSORY) AND ANYOTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

a)   Citing examples, define the following terms as used in Economics;
    i)   Scarcity   (2 Marks)
    ii)   Economic resources   (2 Marks)
    iii)   Veblen goods   (2 Marks)
    iv)   Elasticity   (2 Marks)
b)   Describe**THREE** causal factors for shift in demand curve.   (6 Marks)
c)   State **FIVE** functions of money.   (5 Marks)
d)   Identify any**FIVE** causes of unemployment.   (5 Marks)
e)   The quantity of a good demanded rises from 80 units to 150 units when the price falls from 18 to 12 per unit. Approximate the price elasticity of demand for this product.   (6 Marks)

QUESTION TWO (20 MARKS)

a)   Using diagrams differentiate between movement along the demand curve and shifting of the demand curve   (6 Marks)
b)   Using a well labelled diagram use the information in the table below to determine equilibrium quantity and price.   (8 Marks)

Price	Qs	Qd
5	10	50
10	20	40
15	30	30
20	40	20
25	50	10

c)   Explain the importance of price in markets   (6 Marks)

QUESTION THREE (20 MARKS)

a)   Examine the roles of financial institutions   (8 Marks)
b)   The price of maize flour has been consistently increasing in Kenya. Identify and explain the causes of this situation   (8 Marks)
c)   Using equations where applicable, describe three ways that the cabinet secretary for finance can use to estimate the national income of a country   (6 Marks)

QUESTION FOUR (20 MARKS)

a)   Describe the characteristics of the second stage of production   (6 Marks)

b)   A firm's output per unit of Labor used is provided below. Plot a Total product curve and
      average product curve   (6 Marks)

Units of labor	Output
10	120
20	160
30	210
40	210
50	150

c)   Discuss **FOUR** determinants of supply   (8 Marks)

QUESTION FIVE (20 MARKS)

a)   Describe **FOUR**types of elasticity.   (8 Marks)

b)   Discuss **FOUR** characteristics of human wants.   (8 Marks)

c)   State the laws of demand and supply.   (4 Marks)