

CHUKA



UNIVERSITY

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CHUKA, EMBU & THARAKA

**EXAMINATION FOR THE AWARD OF
CERTIFICATE IN BUSINESS MANAGEMENT**

CIBM 00121: AFRICAN RELIGIONS

STREAMS: CIBM

TIME: 2 HOURS

DAY/DATE: MONDAY 10/12/2018

11.30 AM – 1.30 PM

INSTRUCTIONS:

Answer Question One and any other Two

Question 1

- (a) Define the following terms as used in Economics [8 marks]
- (i) Demand and want
 - (ii) Disposable income and per capita income
 - (iii) Deductive and inductive analysis
 - (iv) Cost push and demand pull inflation
- (b) Money is an asset that is generally acceptable in transactions. Broadly explain its function. [4 marks]
- (c) Discuss any two methods of measuring national income. Highlight the major problems associated with national income accounting. [6 marks]
- (d) Discuss the circular flow of income and expenditure in a two sector economy with the help of a diagram. [6 marks]
- (e) Present carefully the law of variable proportions and discuss the key assumptions underlying it. [6 marks]

Question 2

- (a) Highlight monetary policy measures against inflation. Inflation causes serious difficulties for a country depending on international trade. Discuss [10 marks]
- (b) Explain factors that determine size of an economy national income. [6 marks]
- (c) Distinguish the following terms: Giffen good, inferior goods, Veblen goods and normal good. [4 marks]

Question 3

- (a) By using diagrams illustrate the pattern of change in the total variable cost, total cost and total fixed cost. [5 marks]
- (b) What is abnormal demand curve? Why does the demand curve slop downward? [5 marks]
- (c) Define unemployment. Clearly explain the causes of unemployment in Kenya. [10 marks]

Question 4

- (a) Define scarcity & choice? Illustrate the concept of scarcity and opportunity cost. [6 marks]
- (b) Given demand function $Q_d = 267 - 0.2P$
Supply function $Q_s = 35 + 27P$

Question:

- Determine equilibrium market quantity. [5 marks]
 - (c) Clearly define 6 types of unemployment [9 marks]
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