

CHUKA

UNIVERSITY



UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF  
PROCUREMENT AND LOGISTICS MANAGEMENT

**BPLM 101: ECONOMICS**

**STREAMS: BPLM, (ODEL)**

**TIME: 2 HOURS**

**DAY/DATE: MONDAY 14/04/2025**

**2.30 P.M. – 4.30 P.M.**

**INSTRUCTIONS**

- Answer Question ONE and any other TWO questions

**QUESTION ONE**

a. Distinguish between the following concepts of economics

- Demand curve and Engels curve (2 marks)
- Giffen and Veblen goods (2 marks)
- Microeconomics and Macroeconomics (2 marks)
- Gross National Product and Gross Domestic Product (2 marks)
- Substitute and complementary goods (2 marks)

b. The following are economic functions derived from the books of XYZ CO. Ltd.

$$Q_1 = 6P^2 - 8P$$

$$Q_2 = 48 - P^2$$

Required

- Identify with reasons the demand and supply function (4 marks)
- At what values of price and quantity would the market be at equilibrium? (6 marks)

c. The COVID-19 Pandemic caused a global slow-down of economic activities which in turn led to massive job losses. This has worsened the unemployment problem in Kenya which already existed even before pandemic.

- i) How would you categorize this form of unemployment caused by the COVID-19 Pandemic? Explain (2 marks)
- ii) Using your own country experience, explain measures that the government can undertake to reduce the level of unemployment in the country for speedy recovery of economy. (8 marks)

**QUESTION TWO**

- a) Distinguish between cost-push and demand-pull inflation and highlight the causes of cost-push inflation. (10 Marks)
- b) Highlight the main features of Oligopoly Market Structure (10 marks)

**QUESTION THREE**

- a) Sometimes we can have a situation where quantity demanded is not equal to quantity supplied, hence disequilibrium. Explain and illustrate the conditions that can lead to this. (10 marks)
- b) Discuss the difficulties in measuring national income (10 marks)

**QUESTION FOUR**

- a) Using a well-labeled diagram, explain the three stages of production (10 marks)
  - b) Briefly discuss determinants of investment in a given country. (10 Marks)
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