



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF **BUSINESS AND ECONOMICS**

DEPARTMENT OF **COMMERCE**

UNIVERSITY ORDINARY EXAMINATION

2024/2025 ACADEMIC YEAR

FIRST YEAR FIRST SEMESTER EXAMINATION FOR BACHELOR
OF.....

BCP 102 – GENERAL ECONOMICS

DURATION: 2 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Answer question ONE any other two questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

SECTION A – ANSWER ALL QUESTIONS IN THIS SECTION

QUESTION ONE (30 MARKS)

- (a) Distinguish between the concepts of choice and opportunity cost (4 marks)
- (b) Who is an Entrepreneur? Discuss the role that an entrepreneur plays in the economy (5 marks)
- (c) Explain the concepts of Economies of scale and Diseconomies of scale (5 marks)
- (d) Discuss factors that may cause a change in quantity demanded (5 marks)
- (e) Examine FIVE types of unemployment (5 marks)
- (f) Elaborate on the concept of Gross Domestic Product (GDP) (3 marks)
- (g) Outline FOUR main benefits of international trade for an economy (4 marks)

SECTION B – ANSWER ANY TWO QUESTIONS IN THIS SECTION

QUESTION TWO (20 MARKS)

- (a) Expound on shifts in supply and possible factors that give rise to shifts in supply curve (10 marks)
- (b) Give the meaning of term “Price Control” and explain the circumstances under which it is considered necessary. Use graphical illustration (10 marks)

QUESTION THREE (20 MARKS)

- (a) Identify and explain the source of monopoly power (10 marks)

- (b) Describe measures that the Government may put in place to reduce the amount of money in circulation (10 marks)

QUESTION FOUR (20 MARKS)

- (a) Compare capitalism systems and socialism systems and describe the advantages of each (10 marks)
- (b) What are the main factors that contribute to economic growth (10 marks)