

JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF
INTERNATIONAL TOURISM MANAGEMENT.**

SEMESTER 2022/2023 ACADEMIC YEAR

COURSE CODE: BEB 9103.

COURSE TITLE: Introductory Economics.

EXAM VENUE: STREAM: INTERNATIONAL TOURISM.

DATE: EXAM SESSION:

TIME:

Instructions

- 1. Question ONE is compulsory.**
- 2. Attempt ANY two questions.**
- 3. Candidates are advised not to write on the question paper.**
- 4. Candidates must hand in their answer booklets to the invigilator while in the examination room.**

QUESTION ONE (30 MARKS).

- i) What is economics? **(4 MARKS).**
- ii) Explain clearly the differences between Micro and Macroeconomics? **(4 MARKS).**
- iii) Name some economic resources. **(4 MARKS).**
- iv) What are the three fundamental economic choices that a society must make? **(3 MARKS).**
- v) What is the difference between National Wealth and National Income? **(4 MARKS).**
- vi) What is a free market economy? **(4 MARKS).**
- vii) What is economic growth? **(4 MARKS).**
- viii) Distinguish between an open and a closed economy? **(3 MARKS).**

QUESTION TWO (20 MARKS)

- a) Given the following demand and supply equations, $Q_d=20-2P$ and $Q_s=5+3P$, determine:

- i)Equilibrium Price **(4 MARKS).**
- ii)Equilibrium Price. **(4 MARKS).**
- iii) Draw the demand curve and the supply curve from the above demand and supply functions **(6 MARKS).**
- b) What are the four main factors of production? **(8 MARKS).**

QUESTION THREE (20 MARKS)

- a)Explain the four different market structure as used in economics **(10 MARKS).**
- b) Examine the differences between short-run and Long-run equilibrium under perfect competition and under a monopolist. (10 MARKS).**

QUESTION FOUR (20 MARKS).

- a) Distinguish between gross domestic product at market price (GDP_{MP}) and the gross nation product at market price (GNP_{MP}). **(8 MARKS).**
- b) State four reasons why GDP is considered as a poor measure of economic wellbeing? **(12 MARKS).**

QUESTION FIVE (20 MARKS).

- a) List the causes of unemployment in an Economy such as Kenya? **(8 MARKS).**
- c) What measure should the new government of Kenya take to control inflation? **(12MARKS).**