

JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY SCHOOL OF BUSINESS & ECONOMICS UNIVERSITY EXAMINATION FOR THE DIPLOMA OF BUSINESS ADMINISTRATION WITH IT 1st YEAR 1st SEMESTER 2016/2017 ACADEMIC YEAR KISII CAMPUS-PART TIME

COURSE CODE:BEN 2111

COURSE TITLE: INTRODUCTION TO MICROECONOMICS

EXAM VENUE:

STREAM: (DBA)

DATE:

EXAM SESSION:

TIME: 11/2 HOURS

Instructions:

- 1. Answer Question ONE (COMPULSORY) and ANY other 2 questions
- 2. Candidates are advised not to write on the question paper.
- **3.** Candidates must hand in their answer booklets to the invigilator while in the examination room.

QUESTION ONE

- a. Define economics (2Mks)
- b. Distinguish between micro economics and macroeconomics (4Mks)
- c. State the law of supply and demand (4 Mks)
- d. State the salient features of perfect competition type of market structure (4 Mks)
- e. What is meant by mobility of factors of production(2 Mks)
- f. Differentiate between a movement and a shift in the demand curve (4Mks)
- g. What is meant by elasticity of demand and supply (2Mks)
- h. State the law of diminishing marginal utility (2 Mks)
- i. What is meant by the term economies of scale (2Mks)
- j. Name and explain two types of market structures (2Mks)
- k. Differentiate between fixed cost and variable costs (2Mks)

QUESTION TWO

- a. State and explain the limitations of the cardinal theory (6Mks)
- b. State the importance of elasticity of demand (6 Mks)
- c. State and explain the factors of production (8 Mks)

QUESTION THREE

- a. State and explain five determinants of demand (10 Mks)
- b. State and explain the sources of monopoly power (10 Mks)

QUESTION FOUR

With an illustration of a well labelled diagram explain the movement and shift in the demand and supply curves

(20Mks

QUESTION FIVE

- a. State and explain the salient features of a perfect competition kind of market structure (8 mks)
- b. State the barriers to occupational mobility factors of production (8 Mks)
- c. The demand function of a certain firm is given as follows:

Q + 10 P = 20

Determine

- I. Average Revenue function (2 Mks)
- II. Total Revenue function (2 Mks)