



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

**UNIVERSITY EXAMINATION FOR THE DEGREE OF DIPLOMA IN
BUSINESS ADMINISTRATION WITH IT**

1ST YEAR 2ND SEMESTER 2017/2018 ACADEMIC YEAR

NAIROBI CAMPUS

COURSE CODE: BEN 2121

COURSE TITLE: INTRODUCTION TO MACROECONOMICS

EXAM VENUE:

STREAM: (DBA)

DATE:

EXAM SESSION:

TIME:

Instruction:

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

SECTION A

QUESTION ONE

- a) State the main divisions of public finance (4 marks)
- b) Define fiscal policy and identify its main instruments. (6 marks)
- c) What are the main motives of money hoarding? (3 marks)
- d) Identify the objectives of a fiscal policy in an economy. (4 marks)
- e) Outline any four advantages of commercial banks (4 marks)
- f) State the main objectives of the International Monetary Fund (5 marks)
- g) Identify the key forms of economic integration in world trade (4 marks)

SECTION B

QUESTION TWO

According to Crowther, “money is anything which is generally acceptable as a medium of exchange and a store of value”

- a) Discuss the main functions of money. (10 marks)
- b) What are the qualities of a good money material? (10 marks)

QUESTION THREE

- a) Discuss five main sources of Public Revenue. (10 marks)
- b) What are the main principles of public expenditure? (10 marks)

QUESTION FOUR

- (a) Discuss the causes of unemployment in developing countries (10 marks)
- (b) What strategies should third world economies apply to reduce unemployment? (10 marks)

QUESTION FIVE

- a) Explain the principles of Taxation. (12 marks)
- b) Discuss the major problems facing economic planning in Kenya (8 marks)