

**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**SCHOOL OF BUSINESS & ECONOMICS**  
**UNIVERSITY EXAMINATION FOR DIPLOMA IN BUSINESS ADMINISTRATION**  
**2<sup>ND</sup> YEAR 1<sup>ST</sup> SEMESTER 2015/2016 ACADEMIC YEAR**  
**KENDU BAY LEARNING CENTER**

**COURSE CODE: BEN 2121**

**COURSE TITLE: PRINCIPLES OF MACRO-ECONOMICS**

**EXAM VENUE:**

**STREAM :( DBA)**

**DATE:**

**EXAM SESSION:**

**TIME: 1<sup>1</sup>/<sub>2</sub> 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 their invigilator while in the examination room.**

**QUESTION ONE**

- a) Giving appropriate examples, explain the difference between the Macroeconomics and microeconomics **(4 Marks)**
- b) Define the following terms as used in national income and show how they can be calculated
  - i. Gross Domestic Product (GDP) **(4 Marks)**
  - ii. Gross National Product (GNP) **(4 Marks)**
  - iii. Per capita income **(4 Marks)**
- c) Mention the characteristics of a good money material **(4 Marks)**
- d) Give three examples of each of the following:
  - i. Tariff **(3 Marks)**
  - ii. Non tariff barriers **(3 Marks)**
- e) List the functions of commercial banks **(4 Marks)**

**QUESTION TWO**

- a) Discuss the three functions of money. **(6 Marks)**
- b) Explain some of the size determinants of the national income? **(6 Marks)**
- c) Discuss the objectives that a monetary policy should accomplish. **(8 Marks)**

**QUESTION THREE**

- a) Kenya suffers from an acute unemployment problem. Explain the causes of unemployment in Kenya. **(10 Marks)**
- b) State the advantages of indirect taxes. **(10 Marks)**

**QUESTION FOUR**

- a) Identify the functions of a government in relation to public finance **(10 Marks)**
- b) Explain reasons why public expenditure has increased in the recent years as opposed to the previous years **(10 Marks)**

**QUESTION FIVE**

- a) Explain the role of financial intermediaries in modern economy **(10 Marks)**
- b) Explain the determinants of economic growth **(10 Marks)**

**COURSE OUTLINE**

**CONTACT HOURS: 42**

**BEN 2121: INTRODUCTION TO MACROECONOMICS (BY BOAZ NYAORO)**

**Purpose**

To introduce students to learn and analyze economic variables at the level of collectiveness and nations

**Course Objective**

To enable students-

1. Understand macroeconomic indices (GNP, GDP etc.)
2. Describe a banking institution
3. Understand international trade
4. State the role of the national budget in determining the value of money
5. Describe economic growth and development

**Course Content**

1. National income
2. Money
3. Inflation
4. Banking
5. Public finance
6. International trade
7. Population theories
8. International economic relationships
9. Unemployment
10. Economic growth and development

**Teaching methods**

1. Lectures
2. Seminars

**Instructional methods**

Use of Audiovisual such as power point, posters, overhead projectors etc.

### Course Assessment

1. Continuous Assessment Test (CAT)	30%
2. Assignment	10%
3. Final written examination	60%
<b>Total</b>	<b>100%</b>

### Recommended textbooks

1. **Parkin, Michael & Robinson Blade, 2003.** *Macro-Economics*. Person Addison Wesley.
2. **Elijah, James, 1991.** *Macroeconomics: A problem- solving approach*, 2<sup>nd</sup> edition
3. **Martin, Neil and Philip Friedman, 1995.** *Macroeconomics: financial markets and the international sector*.
4. **Macmillan, Alexander 1983.** *Macroeconomics*. Prentice-Hall Canada
5. **Richard Lipsey, 1991.** *Macroeconomics*
6. **Stephen Njuguna and Njuguna Ndung'u, 2000.** *Macro Models of the Kenyan Economy*. KIPPRA.

Chair person: Department of Accounting and Finance

Signature \_\_\_\_\_

Date \_\_\_\_\_

Dean: School of Business and Economics

Signature \_\_\_\_\_

Date \_\_\_\_\_