

JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

**UNIVERSITY EXAMINATIONS FOR DEGREE OF MASTER IN BUSINESS
ADMINISTRATION**

1ST YEAR 1ST SEMESTER 2014/2015 ACADEMIC YEAR

KISII

COURSE CODE: MBA 802

STREAM: MBA

TIME: 3 HOURS

COURSE TITLE: MANAGERIAL ECONOMICS

Instructions

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

Answer **ANY four** Questions from the following

Question One

- a. Discuss the determinants of national income of a country (10 Marks)
- b. Why is it necessary to estimate national income of a country (5 Marks)

Question Two

Critically discuss how the business environment affects the decision making of a firm. (15 Marks)

Question Three

- a. Distinguish between Perfect competition and monopolistic competition. (2Marks)
- b. With the aid of diagrams describe profit maximisation and loss making levels of output of a monopolist firm in the short run. (8Marks)
- c. Discuss the factors which led to monopoly Market Structure (5 Marks)

Question Four

- a. Distinguish between income elasticity of demand and cross elasticity of demand (3 Marks)
- b. Discuss factors that determine price elasticity of supply (8 Marks)
- c. Analyse the importance of elasticity of demand in economic decision making (4 Marks)

Question Five

- a. What are the managerial implications of globalisation? (5 Marks)
- b. Discuss the basic functions of taxation policy in an economy. (10 Marks)

Question Six

- a. Explain the law of supply (3 Marks)
- b. Describe factors that might cause the shift of the supply curve in an economy (5 Marks)
- c. In relation to management of businesses, explain the applications of theory of demand (7 Marks)