

**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**SCHOOL OF BUSINESS AND ECONOMICS**  
**UNIVERSITY EXAMINATIONS FOR THE DEGREE OF BACHELOR OF BUSINESS ADMINISTRATION**  
**WITH IT**  
**1<sup>ST</sup> YEAR 1<sup>ST</sup> SEMESTER 2016/2017 ACADEMIC YEAR**  
**KENDU BAY**

**COURSE CODE: AEC 101**

**COURSE NAME: INTRODUCTION TO MICROECONOMICS**

**EXAM VENUE:**

**STREAM: (BBA)**

**DATE:**

**EXAM SESSION:**

**TIME: 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 their invigilator while in the examination room**

**QUESTION ONE**

- a) Mention THREE microeconomics questions **(3 Marks)**
- b) Distinguish between the following:
  - i. Microeconomics and Macroeconomics? **(4 Marks)**
  - ii. Demand and Supply **(4 Marks)**
  - iii. Firm and Industry **(4 Marks)**
  - iv. Scarcity and efficiency **(4 Marks)**
- c) Mention four market structures that you know. **(2 Marks)**
- d) Describe the features that distinguish monopoly from perfect competition. **(6 Marks)**
- e) Mention the three categories of price elasticity of supply **(3 Marks)**

**QUESTION TWO**

Given below is the demand schedule for a certain product

Price (Ksh)	Quantity Demanded (Units per week)
10	500
20	400
30	300
40	200
50	100

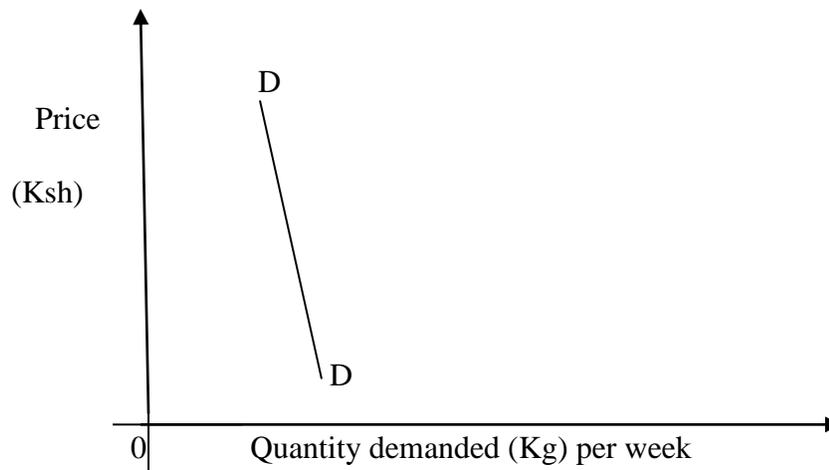
- a) Describe the steps that should be followed in constructing a demand curve from the given demand schedule. **(7 Marks)**
- b) Construct a demand curve from the demand schedule provided above. **(3 Marks)**
- c) Explain the factors that may cause a decrease in the quantity demanded of a product. **(10 Marks)**

### QUESTION THREE

- Discuss in details the contribution of behavioural sciences to consumer behavior (6 Marks)
- Consumer's adoption process showcases how a consumer reacts to a new product (goods, service or idea). This process shows different decision stages a consumer undergoes in his adoption of new product or idea. State and discuss in details the stages. (6 Marks)
- State and explain the steps in the consumer buying process. (8 Marks)

### QUESTION FOUR

The diagram below represents price elasticity of demand for a certain product.



- Name the kind of price elasticity of demand represented in the diagram. (2 Marks)
- Explain the factors that may account for the kind of price elasticity of demand shown in the diagram above. (8 Marks)
- Discuss some of the approaches that are considered to be the major means of allocation of resources in many politico-economic systems, including less-developed countries and societies without democratic institutions. (10 Marks)

### QUESTION FIVE

- Pricing objectives are the targets or ends a firm seeks to achieve through its pricing practices. Explain some of these pricing objectives. (10 Marks)
- Discuss different approaches used in allocating economic resources in many politico-economic systems, including less-developed countries and societies without democratic institutions. (10 Marks)

# **JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**

## **SCHOOL OF BUSINESS AND ECONOMICS**

### **AEC 101: INTRODUCTION TO MICROECONOMICS (BY BOAZ NYAORO)**

#### **COURSE OUTLINE**

#### **CONTACT HOURS: 42**

#### **Purpose**

This course is designed to introduce students to principles and concepts of microeconomics for aiding in economic decisions making and business management.

#### **Course Objective**

1. To apply the theory of the consumer and supplier to solve microeconomic problems.
2. To apply the theory of production to solve microeconomic problems.
3. To apply the microeconomic theories using the mathematical approach to solve microeconomic problems.

#### **Course Content**

1. The scope of economics and nature of economic systems
2. Methods of allocating economic resources
3. Consumer behavior and demand
4. Theory of production, costs and supply of commodities
5. Markets and market structures: perfect competition, monopoly, monopsony, and imperfect competition.
6. Prices in a decentralized system.
7. The theory of distribution and pricing of factors of production

#### **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. Final written examination	70%
<b>Total</b>	<b>100%</b>

## MAIN TEXT

1. Douglas, E.J.(1992). *Managerial Economics: Analysis and Strategy*. New Jersey: Prentice Hall International.
2. Mansfield, E.(1988). *Microeconomics Theory and applications*. Ontario: Penguin Books.

## OTHER TEXTS

1. Hardwick, P. K., Khan, B. and Langmead, J. (2010).Introduction to Modern Economics, 5<sup>th</sup> Edition, Amazon.
2. Lipsey, R.G. and Christal, K.A. (1999), “Principles of Economics”, 9<sup>th</sup> Edition, Oxford University Press.