



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF BUSINESS AND ECONOMICS
UNIVERSITY EXAMINATION FOR THE DIPLOMA IN BUSINESS ADMINISTRATION
1ST YEAR 1ST SEMESTER 2024/2025 ACADEMIC YEAR
MAIN CAMPUS

COURSE TITLE: INTRODUCTION TO MICROECONOMICS

COURSE CODE: BEN 2111

EXAM VENUE:

DATE:14/1/25 EXAM SESSION:9-11.000 AM

TIME:2 HRS

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 booklets to the invigilator while in the examination room**

QUESTION ONE

- a) Briefly explain the importance of studying economics in your country. 5marks
- b) State four Differences between macroeconomics and microeconomics. 5marks
- c) What do you understand by the term opportunity cost in economics 4marks
- d) What do you understand by the term demand and supply of a product. 6marks
- e) Explain why the demand curve for a normal good is downward sloping. 4 marks
- f) Distinguish between price elasticity of demand and income elasticity of demand. 6marks

QUESTION TWO

List and explain the factors affecting supply of a product 10 marks

Define the term mixed economy and explain its main features 10 mark

QUESTION THREE

Explain the main features of a free economy 10 marks

Explain the factors affecting demand of a product 10 marks

QUESTION FOUR

Describe the law of diminishing returns 8marks

Explain the advantages and the disadvantages of large-scale production 12 marks

QUESTION FIVE

- a) Distinguish between perfect and imperfect market 5 marks

The table below indicates the demand and supply schedule for mangos in the market.

Price	Quantity demanded	Quantity supplied
34	9	3
36	8	4
38	7	5
40	6	6
42	5	7
44	4	8
46	3	9

You are required to:

- i. Draw the demand and the supply curve 5 marks
- ii. What is the equilibrium price 5 marks
- iii. What is the equilibrium quantity 5 marks