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**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2019/2020 ACADEMIC YEAR ONE**

**SECOND SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE CERTIFICATE IN BUSINESS MANAGEMENT**

**COURSE CODE: CBM 05**

**COURSE TITLE: INTRODUCTION TO ECONOMICS**

**EXAMINATION DURATION: 2 HOURS**

**DATE: 09/12/2020 TIME: 09.00-11.00 AM**

**INSTRUCTION TO CANDIDATES**

* **The examination has FIVE (5) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other TWO (2) questions from the remaining FOUR (4) questions**
* **Use sketch diagrams to illustrate your answer whenever necessary**
* **Do not carry mobile phones or any other written materials in examination room**
* **Do not write on this paper**

**This paper consists of TWO (2) printed pages *please turn over***

**QUESTION ONE (COMPULSORY)**

1. Define the term Economics **[2 marks]**
2. Discuss the branches of economics **[6 marks]**
3. Discuss basic forms of economic system **[10 marks]**
4. Discuss the types of elasticity of demand **[8 marks]**
5. Discuss the branches of economics **[6 marks]**
6. Differentiate between demand and supply **[4 marks]**

**QUESTION TWO**

1. Discuss the types of elasticity of demand **[10 marks]**
2. Discuss the branches of economics **[10 marks]**

**QUESTION THREE**

1. Explain factors affecting the size of national income **[10 marks]**
2. Discuss price elasticity of demand and cross elasticity of demand **[10 marks]**

**QUESTION FOUR**

1. Describe any four advantages of a free Economy **[8 marks]**
2. Discuss the difficulties encountered in measuring the national income? **[12 marks]**

**QUESTION FIVE**

1. Define the following terms. **[10 marks]**
2. Demand curve
3. Demand
4. Micro-economics
5. Scarcity
6. Choice
7. Explain any two other concepts f economics other than scarcity and choice **[10 marks]**