



KISII UNIVERSITY
UNIVERSITY EXAMINATIONS

SECOND YEAR EXAMINATION FOR THE AWARD OF THE
DIPLOMA IN HUMAN RESOURCE MANAGEMENT & DIPLOMA BUSINESS
ADMINISTRATION & DIPLOMA IN PURCHASING AND SUPPLIES
MANAGEMENT
SECOND SEMESTER 2022/2023
(SEPTEMBER - DECEMBER, 2022)

DBAD 0102: ELEMENTS OF MICRO ECONOMICS

STREAM: Y2 S2

TIME: 2 HOURS

DAY: MONDAY, 12:00 P.M – 2:00P.M

DATE: 05/12/2022

INSTRUCTIONS:

- 1. Do not write anything on this question paper.***
- 2. Answer Question ONE (compulsory) and any other TWO questions.***

QUESTION ONE

(a).Elaborate the following terms:

- | | |
|--|------------|
| (i).Economics | [2 Marks] |
| (ii).Micro economics | [2 Marks] |
| (iii).Demand | [2 marks] |
| (iv).Supply | [2 marks] |
| (v).Economic efficiency | [2 marks] |
| (b).Outline the assumptions in micro economic Theory | [10 marks] |
| (c).State and explain Theories in micro economics | [10 marks] |

QUESTION TWO

- (a).With a clear diagram, distinguish between consumer surplus and producer surplus. [10 Marks]
- (b).State and explain five factors determining demand of a good. [10 Marks]

QUESTION THREE

Elaborate indifference curve and show how consumption of two goods is represented using indifference curve. [20 Marks]

QUESTION FOUR

- (a). Explain imperfect competition and give four characteristics of this market. [6 marks]
- (b). Explain briefly the meaning of each of the following terms:
- (i). Pure competition [2Marks]
 - (ii). Elasticity of demand [2 marks]
 - (iii). Production function [2 marks]
 - (iv). Monopoly [2 marks]
 - (v). Opportunity cost [2 marks]
- (c). Define market structure and list three determinants [2 marks]

QUESTION FIVE

Using a well-labeled diagram, explain the difference between movement along a demand curve and shift in demand curve. [20 Marks]