



**UNIVERSITY EXAMINATIONS**  
**SECOND YEAR EXAMINATION FOR THE AWARD OF THE**  
**DEGREE OF BACHELOR OF EDUCATION ARTS**  
**SECOND SEMESTER 2021/2022**  
**[JUNE-SEPTEMBER, 2022]**

**BUST 221: MANAGERIAL ECONOMICS**

**STREAM: Y2S2**

**TIME: 2 HOURS**

**DAY: TUESDAY, 9:00 – 11:00 AM**

**DATE: 13/09/2022**

**INSTRUCTIONS**

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

**SECTION A: COMPULSORY (25MKS)**

**QUESTION ONE**

- Define managerial Economics. (5marks)
- Explain the Micro and macro managerial economics concepts. (10marks)
- Discuss the scope of Managerial economics. (10marks)

**SECTION B: ANSWER ANY THREE QUESTIONS (45MARKS)**

**QUESTION TWO**

- Discuss the nature of managerial economics
- Explain the role of demand analysis for forecasting in managerial economics

**QUESTION THREE**

- Distinguish between a plant and an industry. (6marks)
- Briefly discuss the objective of a firm in managerial economics. (9marks)

**QUESTION FOUR**

Discuss the factor that determines the cost of production by the firm in managerial economics. (15marks)

**QUESTION FIVE**

- Explain factors influencing the location of an industry. (7marks)
- What are the bottlenecks of localization of an industry. (8 marks)