



KISII UNIVERSITY

UNIVERSITY EXAMINATIONS

SECOND YEAR EXAMINATION FOR THE AWARD OF THE
DEGREE OF BACHELOR OF SCIENCE IN BIOMEDICAL SCIENCES

FIRST SEMESTER, 2021/2022

(FEBRUARY - JUNE, 2022)

ECON 100: PRINCIPLES OF ECONOMICS

STREAM: Y2 S1

TIME: 2 HOURS

DAY: TUESDAY, 12:00 – 2:00 P.M.

DATE: 31/05/2022

INSTRUCTIONS

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

QUESTION ONE

- (a) Define the term Economics [2 marks]
- (b) Explain the following branches of Economics
- (i) Micro Economics [2marks]
 - (ii) Macro Economics [2marks]
- (c) Discuss the FOUR conventional factors of Production [10 marks]
- (d) By use of a well labeled graph, distinguish between scarcity and opportunity cost [10 marks]

QUESTION TWO

Capitalism is one of the major Economic systems in Kenya. Briefly discuss any **FIVE** features of this system. [15 marks]

QUESTION THREE

You have been contracted by Kisii University to give a talk on the functions of commercial banks in the economy. Elucidate your areas of concentration.

[15 marks]

QUESTION FOUR

Using the following functions of Demand and Supply , draw combined graphs bringing out the concept of equilibrium(E) clearly: $D_x=f(P_x,P_y,Y,T,A,E,N,C,Z)$ and $Q_s =f(P_o,P_1,Tech,0,TW,S)$. [15marks]

QUESTION FIVE

Discuss the following instruments of conducting monetary policy: [15marks]

- (i) Open Market Operation(OMO)
- (ii) Interest rate/Bank rate/Discount rate
- (iii) Minimum Liquidities assets ratio
- (iv) Selective credit control
- (v) Moral suasion