KISII UNIVERSITY
UNIVERSITY EXAMINATIONS

SECOND YEAR EXAMINATION FOR THE AWARD OF THE DEGREE OF BACHELOR OF BIOMEDICAL SCIENCES AND TECHNOLOGY FIRST SEMESTER, 2023/2024 (AUGUST-DECEMBER, 2023)

ECON 100: PRINCIPLES OF ECONOMICS

STREAM: Y2 S1   **TIME: 2 HOURS**

DAY: FRIDAY, 9:00 – 11:00 A.M.   **DATE: 01/12/2023**

INSTRUCTIONS
1. ***Do not write anything on this question paper.***
2. ***Answer Question ONE [Compulsory] and any other THREE Questions.***

1.(a) Define economics according to Adam Smith.   (3 marks)

(b) Scarcity is the inadequateness of supply of existing resources in satisfying human needs. Discuss any FOUR scarce resources in the context of Nyamira County, Kenya.   (10 marks).

(c) Explain THREE functions of an entrepreneur.   6 marks)

(d) Socialism seeks to rectify all the evils in society as an economic system. Clearly discuss any THREE ways on how this objective can be achieved.
(6 marks).

2. Dr. HEDA is a keen consumer of Kisii University Products and services. She however does her consumption decisions (based on her ability. Discuss FIVE factors that could constrain her demand decisions.   (15 marks)

3. (a)Equilibrium is a state of rest i.e $Q_d = Q_s$. By use of a demand schedule and supply schedule, graphically explain this economic concept.   (10 marks)

(b) Differentiate between a demand shift and demand movement along the demand curve.   (5marks)

4. Kenya as a developing Nation meets her Vision 2030 objectives by producing goods and services locally and by imports. Differentiate between Local trade and International trade. (15 marks)

5. (a)The Central Bank is the apex banking and monetary institution in the Country. Elucidate FIVE functions of this institution. (10 marks)

(b) Price stability is achieved through sound Monetary Policies. List the FIVE major instruments of monetary policies. (5 marks)