

8/0



(Knowledge for Development)

**KIBABII UNIVERSITY
UNIVERSITY EXAMINATIONS**

2017/2018 ACADEMIC YEAR

THIRD YEAR SECOND SEMESTER

SPECIAL/SUPPLIMENTARY EXAMINATION

FOR THE DIPLOMA IN EDUCATION

COURSE CODE: EDB 105

COURSE TITLE: BASIC ECONOMICS

DATE: 12/10/2018 **TIME: 3:30 P.M**

INSTRUCTIONS TO CANDIDATES

Answer Question One in Section A and Any other TWO (2) Questions in Section B

TIME: 2 Hours

KIBU observes ZERO tolerance to examination cheating

This Paper Consists of 2 Printed Pages. Please Turn Over. 

5.

SECTION A (COMPULSORY)

1. Explain the meaning of scarcity and how economists make choices in the allocation of scarce resources. (20 marks)
2. (i) What are the factors that cause shifts and movements along the demand curve? (5 marks)
(ii) State and explain the conditions present in a perfect market (5 marks)

SECTION B (CHOOSE ANY TWO QUESTIONS)

3. (a) What are the factors of production and their rewards? (10 marks)
(b) For each factor of production, state their mobility. (10 marks)
4. Define a monopoly and state the factors that influence the presence of a monopolistic market. (20 marks)
5. State the factors which cause unemployment in your country? (20 marks)