



Knowledge for Development

**KIBABII UNIVERSITY
(KIBU)**

UNIVERSITY MAIN EXAMINATIONS

2020/2021 ACADEMIC YEAR

SPECIAL/SUPPLEMENTARY EXAMINATIONS

YEAR ONE SEMESTER TWO EXAMINATIONS

FOR THE DIPLOMA IN

(INFORMATION TECHNOLOGY)

COURSE CODE: DIT 064

COURSE TITLE: PRINCIPLES OF ECONOMICS

DATE: 21/01/2022

TIME: 8.00 A.M- 10.00 A.M.

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTIONS ONE AND ANY OTHER TWO

QUESTION ONE (COMPULSARY) [24 Marks]

- a. The term World Bank Group encompasses all five institutions. State the five institutions of the World Bank. **[5 Marks]**
- b. The concept of consumer sovereignty refers to the freedom individuals and households to decide for themselves what they want to buy. Explain the limitations of consumer sovereignty. **[12 Marks]**
- c. Discuss the factors responsible for differentials within the same occupation. **[7 Marks]**

QUESTION TWO [18 MARKS]

- a. Elucidate the factors that limit the effectiveness of trade unions in developing country. **[8Marks]**
- b. Discuss the problems faced by the agricultural sector in developing countries. **[10 Marks]**

QUESTION THREE [18 MARKS]

- a. Explain the measures to combat inflation. **[8 Marks]**
- b. Central banks have traditionally roles in the economy of a country. Discuss. **[10 Marks]**

QUESTION FOUR [18 MARKS]

- a. Discuss the advantages of Specialization. **[10Marks]**
- b. Elucidate the functions of commercial banks in an economy. **[8 Marks]**

QUESTION FIVE [18 MARKS]

- a. Discuss the problems faced by economic integration in developing countries. **[10 Marks]**
- b. Explain the most well-known trading blocs in Africa. **[8 Marks]**