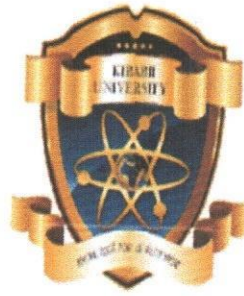


15



(Knowledge for Development)

**KIBABII UNIVERSITY  
(KIBU)**

**MAIN CAMPUS**

**UNIVERSITY EXAMINATIONS**

**2021/2022 ACADEMIC YEAR**

**END OF SEMESTER EXAMINATIONS**

**FIRST YEAR SECOND SEMESTER EXAMINATION**

**FOR THE DIPLOMA IN**

**(INFORMATION TECHNOLOGY)**

**COURSE CODE: DIT 064**

**COURSE TITLE: PRINCIPLES OF ECONOMICS**

**DATE: <sup>02</sup>04/09/2022 TIME: 2.00 P.M. – 4.00 P.M. 2HRS**

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**INSTRUCTIONS TO CANDIDATES:  
ANSWER QUESTIONS ONE AND ANY OTHER TWO.**

Paper Consists of 2 Printed Pages. Please Turn Over ➔

**QUESTION ONE (COMPULSORY) [24 MARKS]**

- a. Discuss five factors responsible for wage differentials between occupations. [10 Marks]
- b. State four various concepts of national income. [4 Marks]
- c. Explain five obstacles to industrial development in developing countries. [12 Marks]

**QUESTION TWO [18 MARKS]**

- a. Explain the following terms:-
  - (i) Demand [2 Marks]
  - (ii) Supply [2 Marks]
  - (iii) Equilibrium [2 Marks]
  - (iv) Concept of consumer sovereignty [2 Marks]
- b. State and explain five forms of specialization. [10 Marks]

**QUESTION THREE [18 MARKS]**

- a. Elaborate five main causes of unemployment in developing countries. [8 Marks]
- b. The World Bank Group consists of five closely associated institutions, all owned by the member countries. Explain at least four institutions. [10 Marks]

**QUESTION FOUR [18 MARKS]**

- a. Explain the problems faced by economic integration in developing countries. [12 Marks]
- b. Discuss six general criticisms of national income statistics. [6 Marks]

**QUESTION FIVE [18 MARKS]**

- a. Elucidate five key characteristics of a free market system. [10 Marks]
- b. Explain eight factors that are limited by consumer sovereignty. [8 Marks]