



(Knowledge for Development)

KIBABII UNIVERSITY
(KIBU)

UNIVERSITY EXAMINATIONS
2020/2021 ACADEMIC YEAR

END OF SEMESTER EXAMINATIONS
YEAR ONE SEMESTER TWO EXAMINATIONS

FOR THE DIPLOMA IN
(INFORMATION TECHNOLOGY)

COURSE CODE : **DIT 064**
COURSE TITLE : **PRINCIPLES OF ECONOMICS**

DATE: 08/10/2021

TIME: 2.00 P.M-4.00 P.M

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTIONS ONE AND ANY OTHER TWO

QUESTION ONE (COMPULSORY) [24 MARKS]

- a. Money refers to anything which is widely acceptable in payment for commodities and in settling debts. State the functions of money. **[4 Marks]**
- b. Discuss five types of unemployment. **[10 Marks]**
- c. Discuss the various concepts of national income. **[10 Marks]**

QUESTION TWO [18 MARKS]

- a. Explain how government can influence the allocation of resources. **[10 Marks]**
- b. The demand for a product can be considered from the standpoint of either individual demand or market demand. Identify the determinants of individual demand. **[8 Marks]**

QUESTION THREE [18 MARKS]

- a. Elaborate the main causes of unemployment in developing countries. **[12 Marks]**
- b. Discuss the barriers to geographical mobility of labour. **[6 Marks]**

QUESTION FOUR [18 MARKS]

- a. Government policies to influence employment may either aim to reduce the total number of unemployed people or to increase the level of job creation. Explain the policies to combat unemployment in developing countries. **[10Marks]**
- b. Discuss the role of agriculture in economic development. **[8 Marks]**

QUESTION FIVE [18 MARKS]

- a. Explain the main aims of International Monetary Fund (IMF). **[10 Marks]**
- b. Elucidate the factors responsible for wage differentials between occupations. **[10 Marks]**