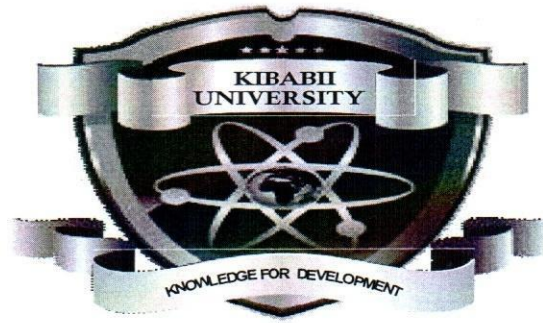


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*(Knowledge for Development)*

**KIBABII UNIVERSITY**  
**UNIVERSITY EXAMINATIONS**  
**2021/2022 ACADEMIC YEAR**

**MAIN EXAMINATION**  
**FOR THE DIPLOMA IN BUSINESS MANAGEMENT**

**COURSE CODE: DIB 103**

**COURSE TITLE: ELEMENTS OF ECONOMICS**

**DATE :7<sup>TH</sup> SEPTEMBER,2022**

**TIME: 9.00 – 11.00AM**

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**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.

**SECTION A: ONE COMPULSORY QUESTION**

**QUESTION ONE**

- (a) Explain the term Economics (2marks)  
Write short notes on the following concepts:
- b) Examine the difference between Micro-economics and Macro-economics (4marks)
- c) Analyze Four uses of P-P Frontier (4marks)
- d) Appraise the Five demerits of a free market economy (10marks)
- e) Elaborate on Five types of elasticity of supply (10marks)

**Section B: Choose Any Two QUESTIONS**

**QUESTION TWO**

- a) Asses the term utility, and highlight on the four forms of utility (5marks)
- 
- b) Argue on the Five limitation of Division of labour in organization (10marks)
- c) Evaluate features of perfect competition (5marks)

**QUESTION THREE**

- Interpret the Five factors which affect elasticity of supply (10marks)
- b) Evaluate on the five types of price elasticity of supply (10marks)

**QUESTION FOUR**

- a) Examine the TEN factors that have contributed to the success of trade unions in LDC (20 MARKS)

**QUESTION FIVE**

- a) With the help of a diagram justify on the long run feature of monopolistic competition (20marks)