

ECONOMICS PAPER ONE P220/1

S.5 END OF TERM ONE EXAMINATION

INSTRUCTIONS

Time:2hrs

This paper consists of two sections, A and B

Answer three questions in all

Section A is compulsory

Answers to section A should be precise and conscise

Attempt any two questions of your choice from section B

All questions carry equal marks

SECTION A

1a(i) Define Economics according to prof.Robbins (02marks)

(ii) Mention the two branches of economics (02marks)

b (i) Differentiate between free goods and public goods (02marks)

(ii) Mention any two examples of free goods(2marks)

(c) Give any four factors of production in the production process (04marks)

d(i) Define the term opportunity cost (02marks)

(ii) Give any two importances of opportunity cost (02marka)

e(i) Define the term production (01mark)

(ii) Mention the three levels of production (03marks)

SECTION B

2(a) Define the term production (02marks)

(b) Explain the four factors of production and give their factor prices (08marks)

(c) Explain the advantages and disadvantages of subsistence production(10marks)

3(a) Define the following terms

(i) Rent

(ii) Economic rent

(iii) Transfer earning

(iv) Site rent

(v) Quasi rent (02marks each)

(b) Given that a factor's transfer earnings is shs.130000 and it's Economic rent is twice it's transfer earnings. Find the factor's actual earnings (04marks)

(c) Explain the factors that determine economic rent in an economy (06marks)

3(a) Define the term labour mobility.(02marks)

(b) Explain the factors that determine labour productivity and efficiency in an economy (18marks)

HARD WORK BREAKS NO BONE