

Slender 1/2000

UGANDA MARTYRS UNIVERSITY
FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT

MANAGERIAL ECONOMICS 2

Examination

2015 - 2016

2ND SEMESTER EXAM

BAM I Rubaga

Date: Friday 29th April 2016

Time: 9:30 - 12:30pm

Instructions

- 1. Do not write anything on the question paper**
- 2. Attempt any four questions**
- 3. Use of relevant illustrations awards extra marks**

QUESTION ONE

- (a) Examine the role of compiling national income statistics in your country. (10 marks)
(b) Analyse the approaches to national income determination in the different economies. (15 marks)

QUESTION TWO

- (a) Distinguish between structural unemployment and frictional unemployment. (5 marks)
(b) As a manager, suggest possible cures to unemployment in an economy. (20 marks)

QUESTION THREE

- (a) By use of illustrations, explain how demand pull inflation arises in an economy. (7 marks)
(b) Examine the fiscal and monetary policies that may be employed by economy managers to control the problem of inflation. (18 marks)

QUESTION FOUR

- (a) Explain the role of money in running of different economic affairs of any country. (10 marks)
(b) Examine the role of the central bank in management of economic affairs of an economy. (15 marks)

QUESTION FIVE

- (a) Analyse the importance of businesses in an economy. (10 marks)
(b) Explain how the government can control the negative externalities arising out of the ever emerging business ventures. (15 marks)

QUESTION SIX

- (a) Analyse the causes of business cycles in the different countries. (10 marks)
(b) Examine the monetary and fiscal stabilizers that may be employed to restore an economy from a slump. (15 marks)

END