

UGANDA MARTYRS UNIVERSITY

NKOZI

UNIVERSITY EXAMINATIONS

END OF SEMESTER TWO FINAL ASESSMENT 2017/18

SWASA I

ECO 1211

ECONOMIC CONCEPTS

DATE:

TIME:

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1. Attempt any **FOUR** Questions
 2. Well-argued and illustrated answers will earn more marks
 3. Do not write anything on the questions paper.
 4. Carefully read through ALL the questions before attempting.
 5. No **names** should be written anywhere on the examination booklet.
 6. Ensure your work is **clear** and **readable**. Untidy work shall be penalized.
 7. Any type of examination Malpractice will lead to automatic disqualification.
 8. Ensure that your **ID number** is indicated on all pages of the examination answer booklet.
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QUESTION ONE

- (a) Define Economics (04marks)
- (b) What basic problems does economics try to solve? (06marks)
- (c) How are the problems you have mentioned in (b) above relate to one another to make the study of economics a solid subject of study? (15marks)

QUESTION TWO

- (a) How is price of a commodity arrived at? (05marks)
- (b) What is the advantage of setting a price of a commodity as outlined in (a) above to;
 - i) A consumer? (10marks)
 - ii) A producer? (10marks)

QUESTION THREE

- (a) Define a market as understood in economics (05marks)
- (b) Differentiate clearly between a monopoly market and a monopolistically competitive market. (10marks)
- (c) How come that in an oligopolistic type of market, there is stiff competition between firms making an oligopoly, yet there is close cooperation between them at the same time?(10marks)

QUESTION FOUR

- (a) In a perfectly competitive market, how come that a producer in this market is said to be producing at zero profits? (15marks)
- (b) What would happen if he/she produced at a profit level other than zero (10marks)

QUESTION FIVE

- (a) Define unemployment (05marks)
- (b) What types of unemployment can you identify and how is each different from the others? (20marks)

QUESTION SIX

- (a) What are the functions of money? (12marks)
- (b) What problems does money help to solve when it is introduced in an economy? (13marks)

QUESTION SEVEN

- (a) Differentiate clearly between a central bank and a commercial bank. (10marks)
- (b) What are the motives for people to demand money and what is the significance of each motive? (15marks)

END