UGANDA MARTYRS   **UNIVERSITY**

NGETTA CAMPUS
FACULTY OF EDUCATION

BACHELOR OF ARTS WITH EDUCATION

ECO 1101: MICROECONOMICS

FINAL ASSESSMENT

ACADEMIC YEAR 2023/2024 SEMESTER ONE

BAED I

DATE: 14th/DEC/2023

TIME ALLOWED:3 HOURS (2:00pm-5:00pm)

INSTRUCTIONS:

- *Attempt any four questions of choice*
- *All questions carry equal marks*
- *Start every question on a new page*
- *Do not write anything on the question paper*

Qn 1) Briefly explain with examples the following concepts as used in Economics;

i)   Microeconomics (5 marks)

ii)   The fundamental Economic problem (5 marks)

iii)   The production possibility frontier (5 marks)

iv)   Partial and general equilibrium (5 marks)

v)   Economic question (5 marks)

Qn 2a) Explain consumer behavior? (5 marks)

b) With the aid of a well labelled diagram, Explain Cardinal Utility analysis as used in Economics?
(8 Marks)

c) What are the assumptions of Cardinal Utility approach? (12 Marks)

Qn 3a) Differentiate between Total utility and Cardinal utility? (12 marks)

b) Critique the Cardinal utility approach? (13 Marks)

Qn 4a) what is Ordinal utility approach? (5 marks)

b) What are the properties of the indifference curves? (20 Marks)

Qn 5a) what is Diminishing marginal utility? (5 marks)

b) What are the assumptions of diminishing marginal utility? (20 marks)

Qn 6a) What is price Mechanisms? (2Marks)

b) How are resources allocated through the Market Mechanisms? (8 Marks)

c) Assess the role of price mechanism in the allocation of resources (15marks)

Qn 7a) Explain the following term as used in Economics; -

  i.   Income elasticity of demand (3 marks)
 ii.   Price elasticity of supply (3 marks)
iii.   Cross Elasticity of demand (3 marks)
 iv.   Price Elasticity of demand (3 marks)

b) What are the applications of Elasticity in Economics? (13 marks)

Qn 8a) Explain the difference between consumers surplus and Producers surplus using graphical illustration? (10 marks)

b) What is Market equilibrium? (5marks)

c) Explain the factors that lead to high levels of demand for commodities by consumers (10 marks)

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