

UGANDA MARTYRS UNIVERSITY

NKOZI

UNIVERSITY EXAMINATIONS

DEGREE OF BACHELLOR OF BUSINESS ADMINISTRATION AND
MANAGEMENT, BSC F&A, BAED...ETC
YEAR I END OF SEMESTER ONE EXAMINATIONS 2022

COURSE NAME: MANAGERIAL ECONOMICS I / MICRO ECONOMICS

I

DATE: Friday 15 July 2022

TIME: 09:30AM – 12:30PM

Instructions:

1. Attempt any **FOUR (04)** questions
 2. All questions carry equal 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

You have graduated from University and now you are working as a manager of a newly established Mobile Network provider, with practical examples, explain how this course unit is helping you in performing your duties and responsibilities. (25 Marks)

Question Two

Mary having established a restaurant she has maintained the quality of her snacks, unfortunately the size of her daily customer's orders have started declining;

- a) With the help of a relevant diagram, explain this customer's behaviour (14 Marks)
- b) Suggest the possible strategies for reversing this customer's behaviour. (11 Marks)

Question Three

As a business expert you have been approached by a local business lady who is confused because though she continues to charge the same price for her product, the orders made by her customers keep varying from time to time.

- a) With an appropriate diagram, illustrate this situation for your client. (10 Marks)
- b) Help your client to understand the conditions which could be leading to this market situation. (15 Marks)

Question Four

Peter delivered his product to an imperfect market expecting Shs. 520 per unit but realistically was paid Shs. 610 per unit. Illustrate this market situation and advise him on how to deal with the situation. (25Marks)

Question Five

Currently the price of fuel has increased but the media houses keep reporting that its demand has reduced by a smaller proportion compared to the proportion of price increase. As an expert

- a) Use a clear diagram to illustrate this situation. (10 Marks)
- b) Explain the factors that could have led to this situation. (15 Marks)

Question Six

You are a manager of a Tooth paste producing firm. After other firms realizing that the business is profitable, they have also started producing the same product which is affecting your market negatively.

As an economist,

- a) Without adjusting the price down words, draft other strategies that you are going to use in order to counter these firms. (15 Marks)

- b) How do consumers benefit from such a market situation? (10Marks)

END