PAN AFRICA CHRISTIAN UNIVERSITY

SCHOOL OF LEADERSHIP, BUSINESS & TECHNOLOGY

END OF SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF COMMERCE

BACHELOR OF BUSINESS LEADERSHIP

BACHELOR OF BUSINESS AND INFORMATION TECHNOLOGY

DIPLOMA IN PROCUREMENT & SUPPLY CHAIN MANAGEMENT

JANUARY-APRIL 2019 SEMESTER

CAMPUS: ROYSAMBU

DEPARTMENT: BUSINESS STUDIES

COURSE CODE: BUS2113|BCM106|BIT206|DSM203

COURSE TITLE: PRINCIPLES OF MACROECONOMIS

EXAM DATE: WEDNESDAY 10th APRIL 2019

DURATION: 3 HOURS

TIME: 9:00AM-12:00PM

INSTRUCTIONS

- Read the instructions and questions carefully before you write the answers.
- Write your **STUDENT NUMBER** in the Answer Booklet given
- *Write clearly and legibly.*
- This examination script consists of **Six (6)** questions.
- Answer Question **ONE** and any other **FOUR** questions
- *ALL PAC University's examination rules and regulations apply*

QUESTION ONE: COMPULSORY

a) Explain the following terms as used in economics

   i. Fiscal policies (2Marks)

   ii. Monetary policies (3marks)

b) Outline the main components of Gross Domestic Product (GDP) (5marks)

c) Differentiate the following terms:

   i. Real GDP

   ii. Nominal GDP (5marks)

d) Discuss the major determinants of consumption in a nation (5 marks)

e) Briefly discuss the main functions of central Banks (5marks)

f) Citing two examples define cryptocurrencyxxx (5marks)

g) Discuss any five shortcomings of batter trade that necessitated the development of money (10marks)

QUESTION TWO

a) Outline the main functions of money (5 marks)

b) Describe the major characteristics of money (10marks)

QUESTION THREE

a) Identify any five factors responsible for wage differentials between occupations (5 marks)

b) Explain any five factors that affect the size of National income (10 marks)

QUESTION FOUR

a) Inflation is caused by two major factors; cost-push, demand-pull: Discuss.(6 marks)

b) Explain any three causes of unemployment in developing countries (9marks)

QUESTION FIVE

a) Explain any five macro-economic policy objectives which the governments strive to achieve for the well being of the economy (5 marks)

b) Elaborate the measures appropriate as remedies for unemployment in developing countries

(10marks)

QUESTION SIX

a) Budgeting by the Government fulfils three major functions. Discuss. (3marks)

b) Explain any four purposes of taxation (4marks)

c) Discuss any four economic effects of taxation (8 marks)