



# THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

**A. M. E. C. E. A**

P.O. Box 62157  
00200 Nairobi - KENYA  
Telephone: 891601-6  
Fax: 254-20-891084  
E-mail: academics@cuea.edu

**MAIN EXAMINATION**

**MAY – JULY 2018 TRIMESTER**

**FACULTY OF ARTS AND SOCIAL SCIENCES**

**DEPARTMENT OF DEVELOPMENT STUDIES**

**O DEL PROGRAMME**

**SDS 102: INTRODUCTION TO MICROECONOMICS**

**Date: JULY 2018**

**Duration: 2 Hours**

**INSTRUCTIONS: Answer Question ONE and any other TWO Questions**

- Q1. a) Explain briefly the usefulness of the study of microeconomics **(5 Marks)**
- b) What are the advantages and disadvantages of the free market system? **(5 Marks)**
- c) Discuss the features of a free market system **(5 Marks)**
- d) Illustrate the value of education and training from the standpoint of microeconomics? **(5 Marks)**
- e) How would you clearly distinguish micro and macroeconomics? **(5 Marks)**
- Q2. a) Briefly describe the basic concepts in microeconomics **(6 Marks)**
- b) Illustrate with suitable examples the view of economists that all things are scarce **(14 Marks)**
- Q3. Economists are convinced that choice involves sacrifice. Elaborate in the issue of choice and opportunity in economics **(20 Marks)**
- Q4. a) Explain what are the uses of microeconomics in society? **(6 Marks)**

b) In regard to scarcity, Samuelson came up with three fundamental questions that must be answered. Discuss this statement. **(14 Marks)**

Q5. Write an essay on what you know about factor mobility in microeconomics? **(20 Marks)**

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