



JULIUS NYERERE SCHOOL OF SOCIAL SCIENCE

**DEPARTMENT OF HUMAN RESOURCE MANAGEMENT/RURAL AND URBAN
DEVELOPMENT**

**BACHELOR OF SCIENCE HONOURS DEGREE IN HUMAN RESOURCE
MANAGEMENT/ REGIONAL AND URBAN PLANNING**

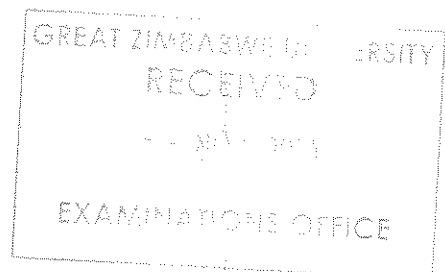
LEVEL 1 SEMESTER 1/LEVEL 1 SEMESTER 2

EXAMINATION QUESTION PAPER

MODULE CODE:	HRMH114/RUPH 125
MODULE NARRATION:	ECONOMIC PRINCIPLES
DATE:	2024
DURATION	2 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Answer any THREE questions
2. All questions carry equal marks
3. Start each answer on a fresh page
4. Show all workings, where applicable



QUESTION 1

- (a) Explain the economic problem (10marks)
- (b) Free market economy is the best economic system. Discuss the assertion (15 marks)

[Total 25 marks]

QUESTION 2

- (a) Explain the following concepts
 - i) Complementary good [5 marks]
 - ii) Veblen good (5 marks)
 - iii) Public good (3 marks)
- (b) As an Economic Officer advice Midlands Cement, the usefulness of elasticity concepts [15 marks]

[Total 25 marks]

QUESTION 3

- a) Using and example, explain how the problem of double counting can be incurred and how it can be solved in national income accounting (15 marks)
- (a) National income statistics is not an accurate measure of standard of living. Discuss this assertion? [10 marks]

[Total 25 marks]

QUESTION 4

Complete the table giving reasons and show all our workings (12 marks)

Quantity	Fixed cost	Variable cost	Total cost	Marginal Cost
1	10	2		
2		4		
3		5		
4		6		
5		7		
Fixed cost (2 marks), Total cost (5 marks), Marginal Cost (5 marks)				

- e) Discuss the challenges faced by small firms as they try to compete with dominant firms? (13 marks)

[Total 25 marks]

QUESTION 5

a) Explain the three types of inflation (15 marks)

b) Discuss how inflation affect the three characteristics of money (10 marks)

[Total 25 marks]

END OF PAPER