



**MASINDE MULIRO UNIVERSITY OF  
SCIENCE AND TECHNOLOGY**

**(MMUST)**

**MAIN CAMPUS**

**UNIVERSITY MAIN EXAMS  
2021/2022 ACADEMIC YEAR**

**FOR THE DIPLOMA**

**IN**

**INFORMATION TECHNOLOGY**

**COURSE CODE: DIT 064**

**COURSE TITLE: PRINCIPLES OF ECONOMICS**

**DATE: 22/04/2022**

**TIME: 3:00 - 5:00PM**

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**INSTRUCTIONS TO CANDIDATES**

**Answer Questions ONE and ANY OTHER TWO.**

**TIME: 1 HOUR 30 MINUTES**

**MMUST observes ZERO tolerance to examination cheating**

**This Paper Consists of 2 Printed Pages. Please Turn Over. ▲**

**Question One**

- (a) Discuss four types of employment giving two advantages and demerits of each. [10 Marks]
- (b) Whatever is used in the production of a commodity is called input. Citing relevant examples, discuss in brief the four factors of production. [12 Marks]
- (c) Highlight five disadvantages of taxation in any given country. [5 Marks]

**Question Two**

- (a) Specialization occurs as a result of division of labour. Highlight in details Five (5) types of specialization giving two (2) advantages and two (2) demerits [12 Marks]
- (b) Discuss in brief six (6) functions of Central bank in the Kenyan Economy. [6 Marks]

**Question Three**

- (a) Economics consider Economics as a Science while others believe it is an Art Discuss. [12 Marks]
- (b) Microeconomics basically observe how a person earns and spends his income. Highlight three Key areas that must be taken into consideration [6 Marks]

**Question Four**

- (a) According to Pigouvian definition of National Income he attributed that National Income can be measures in terms of money. Highlight 5 importance of the data Accrued from National Income. [6 Marks]

**Question Five**

- (a) Discuss in detail four types of business units useful in the economic world [12 Marks]
- (b) Citing relevant examples, highlight the relationship that exists between Information Technology and Economics. [6 Marks]