



**CERTIFICATE IN BUSINESS ADMINISTRATION
SAMPLE EXAMINATION PAPER
ECONOMICS FOR BUSINESS**

Instructions to candidates:

- a) Time allowed: Three hours**
- b) Answer any FIVE questions**
- c) All questions carry equal marks.**

1. Explain what you understand by the term inflation and summarise the main causes of inflation in modern economic societies
2. Describe with the use of examples the main characteristics of perfect competition
3. As an independent economic consultant explain how barriers to market entry can affect the economic development of different national markets
4. Describe the relationships between demand and supply and use diagrams to highlight how the changes in price can affect such relationships
5. You have been asked to explain to a group of economics students the meaning of elasticity of demand and elasticity of supply. What information would you include in your explanations?
6. Explain what you understand by the following terms:
 - a) Monetary policy
 - b) Multiplier
 - c) Mixed economy
7. Write notes on three of the following:
 - a) Collective bargaining
 - b) Gross National Product
 - c) Balance of payments
 - d) Division of labour
8. Identify the main sources of economies of scale and explain how economies of scale can benefit commercial and non-commercial organisations