



# MACHAKOS UNIVERSITY

TVET 1ST TERM EXAMINATIONS

DIPLOMA IN HRM

ECONOMICS

Time : 2 hours

3rd October 2020

Answer Question 1 and ANY other 3 Questions. Use diagrams where necessary.

- 1.a) Outline the characteristics of human wants. *5mks*
  - b) What are Economics laws? *4mks*
  - c) Explain some causes of abnormal demand curves *6mks*
  - d) Give the assumptions of the law of supply *5mks*
  - e) Why is the slope of the demand curve negative? *5mks*
  - f) Why would a firm change its quantity supplied in a market? *5mks*
  
2. Explain the difference between change in demand and change in quantity demanded. *20mks*
  
3. Write short notes on the following:
  - a) Elasticity of demand *6mks*
  - b) Normative and Positive statements *8mks*
  - c) Positively sloped demand curves *6mks*
  
4. Explain the causes of change in supply of common commodities in Kenya. *20mks*
  
5. How does population change affect the demand for commodities in the East African region? *20mks*