



MACHAKOS UNIVERSITY

TVET 1ST TERM EXAMINATIONS
CERTIFICATE IN BUSINESS MANAGEMENT
CERTIFICATE IN SUPPLIES MANAGEMENT
ECONOMICS

Time : 2 hours

3rd October 2020

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

- 1.a) Outline the types of human wants. *5mks*
 - b) Give some definition of Economics *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? *5mks*

2. Explain the difference between change in demand and change in quantity demanded. *20mks*

3. Using diagrams, explain the concept elasticity of demand . *20mks*

4. Explain the causes of change in the demand of common commodities in Kenya in the last 5 years. *20mks*

5. How does climate change affect the demand for commodities in the East African region? *20mks*