



REFORMED CHURCH UNIVERSITY

FACULTY OF COMMERCE

**BACHELOR OF COMMERCE HONOURS DEGREE IN PROJECT
MANAGEMENT**

PRINCIPLES OF ECONOMICS

HPMG 119

PART 1 SEMESTER 2

Total Marks [100]

DATE: JUNE 2024

Time: 3 Hours

INSTRUCTIONS

1. This paper has *six (6)* questions
2. Answer question *one (1)* and *any* other *three (3)*
3. Each question carries *25 marks*
4. Start each question on a new page

1. Using the production possibility curve (PPC), explain the concept of scarcity, choice and opportunity costs. (25 marks)
2. Discuss the qualitative aspects in economic development using the Human development index. (25 marks)
 - (b) (a) Explain the uses of national income statistics. (10 marks)
 Discuss the three approaches used to compile national income accounts. [15 marks]
3. Explain how the central Bank can regulate money supply in Zimbabwe. [25 marks]
4. Use the following information to answer the questions that follow.

No: of workers	total product
1	4
2	12
3	19
4	24
5	28
6	31
7	33
8	33

- a. Calculate the average product (AP) [8marks]
 - b. Calculate the marginal product (MP) [8marks]
 - c. Explain the causes economies of scale and diseconomies of scale. [9 marks]
5. Evaluate any five canons of taxation that you are familiar with. [25 marks]

END OF PAPER