



**REFORMED CHURCH UNIVERSITY**

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**FACULTY OF COMMERCE**

**Bachelor of Commerce Honours Degree in Logistics and Supply  
Chain Management**

**Micro- Economics Supplementary Examination**

**HLSM 104**

**Part 1 Semester 1**

**Total Marks [100]**

**Date: March 2022**

**Time: 3 Hours**

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**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. Explain the importance of production possibility frontier in any business of your choice (25)
2. Explain the following terms as they relate to economics
  - a) Equilibrium (5)
  - b) Opportunity cost (5)
  - c) Scarcity (5)
  - d) Elasticity of Demand (5)
  - e) Inferior goods (5)
3. Examine any three types of elasticity of demand with the aid of diagrams (25)
4. Describe the two conditions necessary for attaining equilibrium for a firm in the short run (25)
5. Explain the following terms as they relate to the economy
  - a) Perfect market (5)
  - b) Monopolistic competition (5)
  - c) Choice (5)
  - d) Monopoly (5)
  - e) Perfect completion (5)
6. Evaluate any three types of market systems (25)

*End of paper*