



REFORMED CHURCH UNIVERSITY

FACULTY OF COMMERCE

**BACHELOR OF COMMERCE HONOURS DEGREE IN
LOGISTICS AND SUPPLY CHAIN MANAGEMENT**

PRINCIPLES OF ECONOMICS

HLSM 117

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]
3. (a) Explain the uses of national income statistics.
[10 marks]
(b) Discuss the three approaches used to compile national income accounts.
[15 marks]
4. Explain how the central Bank can regulate money supply in Zimbabwe.
[25 marks]
5. 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]
6. Evaluate any five canons of taxation that you are familiar with. [25marks]

END OF PAPER