

SECTION A: DEVELOPMENT ECONOMICS

Answer any TWO questions from this section.

1. (a) (i) Explain the meaning of “cyclical unemployment”. (2 marks)
(ii) Explain **four** measures used to overcome cyclical unemployment. (8 marks)
(b) State and explain **five** measures applied to reduce inequalities of income. (10 marks)
2. (a) (i) Differentiate between **balance of trade** and **balance of payment**. (4 marks)
(ii) Explain **three** factors that determine terms of trade of a country. (6 marks)
(b) Explain **five** reasons for economic planning in developing countries. (10 marks)
3. (a) State and explain **four** types of inflation. (8 marks)
(b) State and explain **six** canons of taxation. (12 marks)
4. (a) Describe the meaning of the following terms as applied in economics:
(i) scarcity;
(ii) choice;
(iii) opportunity cost;
(iv) consumption. (8 marks)
(b) State and explain **six** institutions that comprise the capital market. (12 marks)

SECTION B: ENTREPRENEURSHIP EDUCATION

Answer any TWO questions from this section.

5. (a) Explain **four** economic factors that affect entrepreneurship growth in developing countries. (8 marks)
- (b) Explain **six** differences between an entrepreneur and a manager. (12 marks)
6. (a) State and explain **five** business support services available to an entrepreneur. (10 marks)
- (b) (i) Explain the meaning of a “business life cycle”. (2 marks)
- (ii) Describe the **four** phases of the business cycle. (8 marks)
7. (a) State and explain **five** benefits of electronic commerce (e-commerce) to a business organization. (10 marks)
- (b) Explain **five** ways in which an entrepreneur can enhance social responsibility. (10 marks)
8. (a) (i) Differentiate between **creativity** and **innovation**. (4 marks)
- (ii) Explain the meaning of the following stages of the creativity process:
- (i) idea germination;
- (ii) incubation;
- (iii) illumination. (6 marks)
- (b) State and explain **five** causes of business risks. (10 marks)