

**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**FACULTY OF THE BUILT ENVIRONMENT**

**DEPARTMENT OF ARCHITECTURE**

**BACHELOR OF ARCHITECTURAL STUDIES (HONURS) DEGREE**

2010-2011 ACADEMIC YEAR

PART II FIRST SEMESTER EXAMINATIONS – JANUARY 2011

**AAR 2106 - INTRODUCTION TO ECONOMICS**

**Instructions**

**Time: 3 Hours**

*Answer Four (4) Questions Only.  
All Questions Carry Equal Marks.  
Total Marks: 100*

**QUESTION 1**

Explain the following economic concepts

- a) Scarcity (5)
- b) Choice (5)
- c) Opportunity Cost (5)
- d) Resource Allocation (5)
- e) Utility Maximization (5)

[25]

**QUESTION 2**

Making reference to the construction industry, identify and explain **FIVE** factors that affect supply of a construction product. [25]

**QUESTION 3**

- a) Explain the importance of the building industry to the national economy. (10 )
- b) Using examples, explain what is meant by urban economy and show its relationship with the national economy (15)

[25]

**QUESTION 4**

Using cases from Zimbabwe and other developing countries, discuss the role of international agencies and multinational corporations in the economies of these countries. [25]

**QUESTION 5**

Infrastructure development and investment in real property form the basis for economic and social development of a country. Using examples from a country of your choice, discuss this statement. [25]

**QUESTION 6**

Discuss the circumstances under which the law of demand fails (exceptional demand curves) [25]

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**PART II FIRST SEMESTER SUPPLEMENTARY EXAMINATIONS –**  
**AUGUST 2011**

**AAR 2106 - INTRODUCTION TO ECONOMICS**

**Instructions**

**Time: 3 Hours**

*Answer Four (4) Questions Only.*  
*All Questions Carry Equal Marks.*  
*Total Marks: 100*

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**QUESTION 1**

Explain the concept of resource allocation in the following economic systems

- a) Free market economy (8 marks)
- b) Command Economy (8 marks)
- c) Mixed economy (7 marks)

**QUESTION 2**

Explain any five determinants of supply of a commodity [25]

**QUESTION 3**

Discuss the effects of globalization on Zimbabwe [25]

**QUESTION 4**

Using a Production Possibility Curve (PPC), explain the following concepts

- a) Opportunity cost
- b) Choice
- c) Scarcity
- d) Resource allocation [25]

**QUESTION 5**

- a) Explain the law of diminishing marginal utility and show how it can be used to produce the demand curve of a good/service (15)
- b) How is the equilibrium price determined in a free market economy (10)

[25]

**QUESTION 6**

Explain what is meant by International Agencies, and Multinational corporations. Justify their role in Zimbabwe. [25]