

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY
FACULTY OF THE BUILT ENVIRONMENT

DEPARTMENT OF ARCHITECTURE
BACHELOR OF ARCHITECTURAL STUDIES (HONOURS) DEGREE

PART II –FIRST SEMESTER SUPPLEMENTARY EXAMINATION – JULY 2014
2013-2014 ACADEMIC YEAR

AAR 2106 – INTRODUCTION TO ECONOMICS

Instructions

Duration: 3 Hours

Answer any four questions

Where appropriate, use illustrations to back up your answer

QUESTION 1

Explain any five factors that affect demand for goods or services. [25]

QUESTION 2

Globalisation is often viewed negatively in developing countries. Present arguments for this concept to developing countries. [25]

QUESTION 3

Using an example of a city that you have studied in sub-Saharan Africa, give a detailed account of the make-up of the economy of that city. To what extent is the economy of this city related to the national economy in that country? [25]

QUESTION 4

Explain the following concepts as they relate to the study of economics

- a. Diminishing marginal utility (5)
- b. Income elasticity of demand (5)
- c. Giffen goods (5)
- d. Diseconomies of scale (5)
- e. Multiplier effect (5)

QUESTION 5

- a. What is meant by equilibrium price
- b. Explain how equilibrium price is determined and show how it is affected by changes in supply and demand.

QUESTION 6

- a. Explain the concept of price elasticity of supply [10]
- b. Explain the determinants of price elasticity of supply [15]