



NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY
FACULTY OF THE BUILT ENVIRONMENT
DEPARTMENT OF PROPERTY STUDIES AND URBAN DESIGN
PRINCIPLES OF ECONOMICS

BLP 1104

EXAMINATION PAPER

JANUARY 2025

This examination paper consists of 3 printed pages

Time Allowed: 3 hours

Total Marks: 100

Special Requirements: N/A

Examiner's Name: J. Mlotshwa / Dr B Dube

INSTRUCTIONS

1. Answer any four (4) questions
2. Each question carries 25 marks.
3. Where required give examples and draw illustrations and diagrams.

Mark allocation

QUESTION	MARKS
1.	25
2.	25
3.	25
4.	25
5.	25
6.	25
TOTAL FOR ANY 4 QUESTIONS	100

Question 1

- a) The 'pivot' of economics is supply and demand, explore the above statement using relevant diagrams to illustrate your answer where relevant [25]

Question 2

- a. Explain the main causes of inflation in Zimbabwe (10).
b. Discuss the effects of inflation in Zimbabwe (15).

[25]

Question 3

In the event the price of timber rises by 5% and the quantity demanded falls by 10%. Calculate the price elasticity of demand (5)

Briefly explain any three determinants of:

- i) Cross elasticity of demand. (5)
ii) advertising elasticity of demand (5)
iii) price elasticity of demand (5)
iv) income elasticity of demand (5)

[25]

Question 4

- a) Unemployment in developing economies is a great cause of concern, Outline the impacts and propose solutions to the effects that result. Use relevant examples to support your argument. (25)

Question 5

Outline economic systems that can be employed by any country of your choice. (6)
Among the outlined economic systems in (iii) discuss two that you would recommend for Zimbabwe. (14)

[25]

Question 6

- (a) Compare and contrast the features of perfect competition and monopolistic competition. (10 Marks)
(b) Discuss why perfect competition is the most preferred market structure. (15 Marks)

[25]

END