



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

NOVEMBER/DECEMBER 2024

This examination paper consists of 3 printed pages

Time Allowed: 3 hours

Total Marks: 100

Special Requirements: N/A

Examiner's Name: J. Mlotshwa / K Maponga

INSTRUCTIONS

1. Answer one question from section A and any three from section B
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

Section A

Question 1

Write brief notes on Supply and Demand. Use relevant diagrams to illustrate your answer [25]

Question 2

Fixed cost, variable cost and marginal cost are discussed in economics texts.

- a) Explain the relationship between fixed cost, variable cost and marginal cost. (8 marks) **NB// Use diagrams where necessary**
 - b) How might firms use these concepts in order to determine what level of output to produce? (17 marks)
- [25]

Section B

Question 3

- a. In the event the price of timber rises by 10% and the quantity demanded falls by 20%. Calculate the price elasticity of demand (5)
- b. 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

Outline the causes, effects and solutions of unemployment in a developing economy. Use relevant examples to support your argument. (25)

Question 5

- a. Outline economic systems that can be employed by any country of your choice. (5)
- b. Among the outlined economic systems in (a) discuss two that you would recommend for Zimbabwe. (20)

[25]

Question 6

- a. Briefly explain:
 - i. Inferior goods (5)
 - ii. Veblen goods (5)
- b. Use income and substitution effect to analyse the outcomes of a relatively high increase in construction materials in Zimbabwe (15)

Question 7

- (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