

Name: _____ Index No: _____

2428/102

DEVELOPMENT ECONOMICS
AND ENTREPRENEURSHIP EDUCATION

Oct./Nov. 2012

Time: 3 hours

Candidate's Signature: _____

Date: _____



THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN SOCIAL WORK AND COMMUNITY DEVELOPMENT
MODULE I

DEVELOPMENT ECONOMICS AND ENTREPRENEURSHIP EDUCATION

3 hours

INSTRUCTIONS TO CANDIDATES

*Write your name and index number in the spaces provided above.**Sign and write the date of the examination in the spaces provided above.**This paper consists of EIGHT questions in TWO sections; A and B.**Answer a total of FIVE questions as shown below:**any TWO questions from section A;**any TWO questions from section B;**any other ONE question from either section A or B.**All answers to be written in the spaces provided in the question paper.**All questions carry equal marks.*

For Examiner's Use Only

Section	Question	Maximum Score	Candidate's Score
A		20	
		20	
		20	
B		20	
		20	
		20	
Total Score			

This paper consists of 12 printed pages.

Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

SECTION A: DEVELOPMENT ECONOMICS

Answer any **TWO** questions from this section.

1. Explain **three** motives of holding money. (6 marks)
- (i) Explain the meaning of the term "international trade". (2 marks)
- (ii) Evaluate **six** reasons negatively impacting on most developing countries not to realize the full benefits from international trade. (12 marks)
2. (a) Explain the term "fiscal policy". (2 marks)
- (b) Evaluate **five** objectives of fiscal policy in developing countries. (10 marks)
- (c) Describe **four** functions of money market in Kenya. (8 marks)
3. (a) Discuss **five** problems encountered by trade unions in underdeveloped countries. (10 marks)
- (b) Globalization has various positive aspects which affect the world in several different ways. Analyse **five** positive effects of globalization in developing economies. (10 marks)
4. (a) Explain the meaning of the following terms:
- (i) liberalization; (2 marks)
- (ii) taxation; (2 marks)
- (iii) balance of payment (BOP); (2 marks)
- (iv) manpower planning. (2 marks)
- (b) Discuss **six** principle functions of taxation in developing countries. (12 marks)

- Commitment
- Flexibility
- Certainty

SECTION B: ENTREPRENEURSHIP EDUCATION

Answer any TWO questions from this section.

5. (a) Mr. Yellow intends to invest in Kenya in order to increase his productivity and profitability. Highlight **five** external motivational factors he should consider before his investment. (10 marks)
- (b) Explain **five** enterprise social responsibilities to the government. (10 marks)
6. (a) (i) Explain the term consumerism. (2 marks)
- (ii) Discuss **four** ideals of consumerism as an emerging issue in entrepreneurship. (8 marks)
- (b) Highlight **five** reasons why entrepreneurs need to generate business ideas. (10 marks)
7. (a) Technology is rapidly changing in the business world and has greatly impacted on the performance of business organizations. Analyze **five** positive effects of Information Communication Technology to small business enterprises. (10 marks)
- (b) State **five** major entrepreneur's responsibilities in managing human resources. (10 marks)
8. (a) Explain **five** techniques entrepreneurs should adopt to ensure effective time management. (10 marks)
- (b) (i) Discuss the factors to consider when determining the most suitable source of raising capital for your business. (8 marks)
- (ii) State **two** types of business finance for an entrepreneur. (2 marks)