

**DIPLOMA IN SOCIAL WORK AND COMMUNITY DEVELOPMENT**  
**MODULE I(KNEC)**  
**DEVELOPMENT ECONOMICS AND ENTREPRENEURSHIP EDUCATION (JUNE/JULY 2012)**

**SECTION A: DEVELOPMENT ECONOMICS**

1. a) Explain the meaning of the following terms as applied in inflation:
- i. Anticipated inflation
  - ii. Demand- pull inflation
  - iii. Cost-push inflation
- (6 marks)
- b) State and explain seven methods that can be applied to control unemployment (14 marks)
2. a) Explain the meaning of the following terms as used in population:
- i. Demography
  - ii. Demographic transition theory
  - iii. Ageing population
  - iv. Declining population
- (8 marks)
- b) i. Explain the meaning of economic development (2 marks)
- ii. State and explain five key indicators of developing countries (10 marks)
3. a) i. Explain the meaning of monetary policy (2 marks)
- ii. State and explain four functions of monetary policy (8 marks)
- b) i. Explain the meaning of taxes (2 marks)
- ii. Differentiate between each of the following:
- 1. Direct and indirect taxes
  - II. Progressive and regressive taxes
- (8 marks)
4. a) i. Explain the meaning of poverty in the absolute sense (2 marks)
- ii. Describe four causes of economic inequality (8 marks)
- b) Describe the following terms as applied in international trade:
- i. Quota
  - ii. Exchange control system
  - iii. Imports deposits scheme
  - iv. Trade agreements
  - v. Subsidies
- (10 marks)

**SECTION B: ENTREPRENEURSHIP EDUCATION**

5. a) Explain the meaning of the following terms as applied in entrepreneurship:
- i. Manufacturing
  - ii. Retailing
  - iii. Service
  - iv. Whole selling
- (8 marks)
- b) State and explain six factors that should be considered when selecting a resource for running a business enterprise (12 marks)

6.
  - a) State and explain five ways of acquiring business skills (10 marks)
  - b) State and explain five factors to consider when evaluating a business environment (10 marks)
7.
  - a) Explain how each of the following factors determine the most suitable source of raising capital for running a business:
    - i. Cost
    - ii. Risk
    - iii. Flexibility
    - iv. Control
    - v. Availability (10 marks)
  - b) State and explain five types of entrepreneurs (10 marks)
8.
  - a) Explain five cultural habits that promote entrepreneurial development (10 marks)
  - b) State and describe five social concerns of a business enterprise (10 marks)