

**DIPLOMA IN SOCIAL WORK AND COMMUNITY DEVELOPMENT**  
**MODULE I(KNEC)**  
**Development economics and entrepreneurship education (OCT/NOV 2014)**

**SECTION A: DEVELOPMENT ECONOMICS**

1.
  - a) Explain five factors that influence a country to adopt a protectionist policy in international trade (10 marks)
  - b) Describe five principles a government must take into consideration when arranging for its expenditure. (10marks)
2.
  - a) Explain six factors that influence taxable capacity of a country (12marks)
  - b) Highlight four types of inflation tendencies that may affect the economy of a country (8 marks)
3.
  - a) Describe five causes of an increase in public debt of a country (10marks)
  - b) Explain five benefits that accrue to a country that adopts equitable distribution of national income (10 marks)
4.
  - a) One of the main functions of central bank is to act as the 'commercial bank's bank'. Explain five main functions it performs in such a move. (10 marks)
  - b) In recent past, Kenya has been embracing the policy of rural industrialization. Highlight five advantages of such a move. (10 marks)

**SECTION B: ENTREPRENEURSHIP EDUCATION**

5.
  - a) Highlight five benefits that accrue to an entrepreneur that computerizes business records (10 marks)
  - b) Outline five ways of managing factors that inhibit the development of entrepreneurial culture (10 marks)
6.
  - a) Mr. Asisi who operates his business in the highland has been approached by other entrepreneurs to join a co-operative society. Describe five benefits he would derive from such a move (10 marks)
  - b) Highlight five sources of raising short-term finances for an entrepreneur (10 marks)
7.
  - a) Explain six challenges faced by modern entrepreneurs in the 21<sup>st</sup> century which were not as challenging in 20<sup>th</sup> century (12 marks)
  - b) Explain four business services available through the internet for an entrepreneur (8 marks)
8.
  - a) Highlight five ethical business practices an entrepreneur should take into consideration. (10 marks)
  - b) Explain five ways an entrepreneur may use to analyze competition (10 marks)