

2428/102

**DEVELOPMENT ECONOMICS AND  
ENTREPRENEURSHIP EDUCATION**

June/July 2011

Time: 3 hours



**THE KENYA NATIONAL EXAMINATION COUNCIL.**

**DIPLOMA IN SOCIAL WORK AND COMMUNITY DEVELOPMENT**

**MODULE I**

**DEVELOPMENT ECONOMICS AND ENTREPRENEURSHIP  
EDUCATION**

**3 hours**

**INSTRUCTIONS TO CANDIDATES**

*You should have the following for this examination:*

*Answer booklet.*

*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 questions carry equal marks.*

**This paper consists of 3 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 at least **TWO** questions from this section.

1. (a) Explain the meaning of the following types of unemployment:
- (i) structural unemployment;
  - (ii) frictional unemployment;
  - (iii) seasonal unemployment;
  - (iv) cyclical unemployment. (8 marks)
- (b) State and explain **six** sources of Government revenue. (12 marks)
2. (a) (i) Distinguish between the following terms:  
Balance of trade and Balance of payments. (4 marks)
- (ii) State and explain **three** accounts of balance of payments. (6 marks)
- (b) (i) Explain the meaning of income distribution. (2 marks)
- (ii) State and explain **four** arguments in favour of equitable distribution of income. (8 marks)
3. (a) Explain the meaning of the following tools of unionism:
- (i) collective bargaining;
  - (ii) mediation;
  - (iii) arbitration;
  - (iv) strike. (8 marks)
- (b) (i) Explain the meaning of cost-push inflation. (2 marks)
- (ii) State and describe **five** cause of cost-push inflation. (10 marks)
4. (a) Explain **five** advantages of population increase to a country's economy. (10 marks)
- (b) State and explain **five** characteristics of the under-developed countries. (10 marks)

## SECTION B: ENTREPRENEURSHIP EDUCATION

Answer at least **TWO** questions from this section.

5. (a) Explain the meaning of the following terms as applied in Entrepreneurship Education:
- (i) entrepreneurship;
  - (ii) an entrepreneur;
  - (iii) creativity;
  - (iv) business opportunity. (8 marks)
- (b) State and explain **six** environmental factors which an entrepreneur should consider when starting a business. (12 marks)
6. (a) Explain **five** ways an entrepreneur can use to promote a positive public image. (10 marks)
- (b) Describe **five** ways of enhancing employee job satisfaction in an entrepreneurial organization. (10 marks)
7. (a) State and explain **four** distinct stages of the entrepreneurial development process. (8 marks)
- identification & evaluation of the opportunity
  - Dev of a bus-plan
  - Determination of the required resources
- (b) State and explain **six** challenges that lead to business failure to an entrepreneur. (12 marks)
8. (a) State and describe **five** elements of the organization's design. (10 marks)
- (b) Explain **five** ways of enhancing effective communication in a business enterprise. (10 marks)