

**Section A: Attempt all questions. (55marks)**

**Q1.** Name any three features of oligopoly market in Rwanda. **(3marks)**

**Q2.** Define the following economic concept. **(3marks)**

- a. Non price competition
- b. Independence pricing
- c. Excess capacity

**Q3.** List any four forms of non-price competition used by oligopolistic firms in Rwanda. **(4marks)**

**Q4.** Explain the three approaches used in measuring National income. **(6marks)**

**Q5.** With illustration, explain the phases of Business cycle. **(6marks)**

**Q6.** The government of Rwanda encourage Rwandans about the culture of saving, evaluate the factors influencing the level of saving. **(5marks)**

**Q7.** Given that the government expenditure in an economy is increased by 100million where the MPC is 0.8. Find the final change in national income. **(3marks)**

**Q8.** a) Distinguish between nominal national income and real national income. **(4marks)**

b) Given that the current level of GDP IS 300millions FRW. The increase in national investment expenditure is 50millions FRW and the marginal propensity to save is 0.2. calculate the final level of income. **(3marks)**

**Q9.** According to John Maynard Keynes, people demand for money because of the three main motives. Discuss about these motives. **(3marks)**

**Q10.** a. what is monetary policy. **(2marks)**

- b. Identify any three objectives of monetary policy. **(3marks)**
- c. Examine the monetary policy tools that the central bank has used in attaining the monetary policy objectives. **(6marks)**

**Q11.** Determine the problems of compiling price index. **(4marks)**

**Section B:** Attempt **only three** chosen questions. **(45marks)**

**Q12.** Analyze the contributions of foreign commercial banks in the development process of Rwanda. **(15marks)**

**Q13.** a. Elaborate the qualities money should have. **(7marks)**

b. Assess the determinant of money supply. **(8marks)**

**Q14.** a. According to the Phillips curve, develop the relationship between inflation and unemployment. **(5marks)**

b. Most of the less developing countries characterized by persistent inflation, Examine the effects of inflation. **(10marks)**

**Q15.**

a. There are two methods used for measuring income inequality in a country, by using the diagrams defend these two methods. / **5marks**

b. Examine The advantages and the disadvantages of income inequality. **(10marks)**

**Q16.** a. Analyze the conditions necessary for the price discrimination to be successful. **(5marks)**

b. Assess the advantages of price discrimination. **(5marks)**

c. Describe the sources of monopoly in Rwanda. **(5marks)**

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