



*"Investing in Africa's Future"*

## **FACULTY OF MANAGEMENT AND ADMINISTRATION**

**COURSE CODE AND TITLE: MEC 301-Comparative Economic Systems**

**END OF FIRST SEMESTER EXAMINATIONS**

**DECEMBER 2016**

**LECTURER: Mr L. NGENDAKUMANA**

**DURATION: 3 HOURS**

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### ***INSTRUCTIONS***

Answer any four questions.

Total possible mark is 100.

Start **each** question on a new page in your answer booklet.

The marks allocated to **each** question are shown at the end of the section.

Show all your workings.

Credit will be awarded for logical, systematic and neat presentations.

### Question 1

Explain the following characteristics of classifying economic systems:

- a) The organization of decision making arrangement [6 marks]
- b) Property rights [6 marks]
- c) Incentives [6 marks]
- d) Market and plan [7 marks]

### Question 2

- a. Explain how a capitalist economy operates citing examples in any country of your choice where possible. [15 marks]
- b. State and explain the factors that influence economic outcomes [10 marks]

### Question 3

- a. State and explain the characteristics of a capitalist economic system [10 marks]
- b. In capitalist economies government must not intervene in the market. Critically evaluate this statement. [15 marks]

### Question 4

State and briefly explain any four of performance criteria of an economic system of your choice. [25 marks]

### Question 5

- a. How is a socialist economy administered? [10 marks]
- b. Discuss the techniques used in planned socialist economy. [15 marks]

### Question 6

- a. Define the characteristics of the Asian and Latin American model [5 marks]
- b. What are the strengths and weaknesses of these models? [10 marks]
- c. Compare these models to capitalism and socialism [10 marks]

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