



MACHAKOS UNIVERSITY

University Examinations for 2022/2023 Academic Year

SCHOOL OF BUSINESS, ECONOMICS AND HOSPITALITY AND TOURISM

MANAGEMENT

DEPARTMENT OF ECONOMICS

THIRD YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF ECONOMICS

EAE 305: URBAN ECONOMICS

DATE:

TIME:

INSTRUCTIONS:

Answer Question ONE and any other TWO questions

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Differentiate between the following concepts as applied in urban economics.
- i. Agglomerative and localization economies (3 marks)
 - ii. Urbanization and urban economies (3 marks)
 - iii. Cities and Urban centers (4 marks)
- b) Describe any four factors that influence the demand of urban housing (10 marks)
- c) “One of the critical problems facing most cities in the world is the traffic congestion in all the roads.” Citing Nairobi as an example, describe four probable solutions that a government may use to address the problem. (10 marks)

QUESTION TWO (20 MARKS)

- a) Highlight the key features of Burgess Concentration zone model (10 marks)
- b) Does the model in (a) above explain Nairobi's urban development: Why or why not: support your answer. (10 marks)

QUESTION THREE (20 MARKS)

- a) What do you understand by an urban service boundary? How does it affect spatial locational choices for both households and business firms in the urban areas? (6 marks)
- b) Discuss any four sources of financing for the urban areas. (8 marks)
- c) Describe the Hedonic Model of urban housing supply. (6 marks)

QUESTION FOUR (20 MARKS)

- a) Discuss the merits and demerits of public private partnership approach in the provision of urban services in the developing countries' cities. (10 marks)
- b) Explain how the phenomenon of "rural urban migration" has affected the process of urbanization in the African continent cities. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Define the following terms:
- i. Land value (4 marks)
 - ii. Bid rent functions (4 marks)
 - iii. Land use zoning (4 marks)
- b) Graph bid rent functions for manufacturing, residential and for farming (3 marks)
- c) How do the functions in (b) change when local government provides increased public services to the outskirts of the city? (5 marks)