



MACHAKOS UNIVERSITY COLLEGE

(A Constituent College of Kenyatta University)
University Examinations for 2015/2016

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ECONOMICS

FIRST SEMESTER EXAMINATION FOR DEGREE IN BACHELOR OF ECONOMICS

EAE 305: URBAN ECONOMICS

DATE: 10/8/2016

TIME: 8:30 – 10:30 AM

INSTRUCTIONS:

Answer Question One and Any Other Two Questions

QUESTION ONE

- a) Discuss five market factors that are attributable to the rapid growth of cities both in developing and developed countries. (10 marks)
- b) Using the principle of median location, explain why some industrial firms locate in transshipment points. (6 marks)
- c) Explain how urban service boundary is used to limit population growth in cities based on Bid-rent functions. (6 marks)
- d) Describe any four zoning policies that influence land use pattern in urban areas. (8 marks)

QUESTION TWO

- a) Explain five policies that would be implemented in order to reserve high rural-urban migration. (10 marks)
- b) There are several problems that lead households to move to suburbs from the central city. Discuss any five central problems that may encourage some households to move from the central city to the suburbs. (10 marks)

QUESTION THREE

- a) Discuss the causes of urban poverty. (10 marks)
- b) Explain how government influences location and development of cities. (10 marks)

QUESTION FOUR

- a) State the principles of median location and relate it to the processes of cities growth and firms` location choices. (10 marks)
- b) Why do cities exist? (2 marks)
- c) Discuss policies that could be implemented in order to reduce the level of urban poverty. (8 marks)

QUESTION FIVE

- a) Define urbanization economies and explain how urbanization economies differ from localization economies. (4 marks)
- b) Discuss 3 different examples of urbanization economies. (6 marks)
- c) Using a relevant example, explain your understanding of the term comparative advantage. (10 marks)