



MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

SECOND YEAR SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF COMMERCE

HTM 208: INTRODUCTION TO ECONOMICS IN HOSPITALITY AND TOURISM

DATE

TIME

INSTRUCTIONS

Answer question one and any other two questions. Question one carries 30 marks and the other questions carry 20 marks each.

QUESTION ONE (30 MARKS)

- a) Define the term economics as applied in Hospitality and Tourism (2 marks)
- b) State and explain any 4 factors that have contributed to the growth of the tourism sector in Kenya post-independence. (8 marks)
- c) State any three basic questions that a society that deal with scarce resources seeks to answer. (3 marks)
- d) As one of the key economic sectors in Kenya, illustrate any at least four roles of tourism as an economic development tool that the country reaps (8 marks)
- e) Explain any three adverse shocks that negatively affected the Kenyan tourism economy in 2009. (6 marks)
- f) Define the following terms;
 - i. Scarcity
 - ii. Alternative use (3 marks)

QUESTION TWO

- a) State and explain three principal constraints of the tourism growth rate in Kenya (9 marks)
- b) With the aid of a diagram clear discuss the concept of scarcity, choice and opportunity cost.
Clearly explain how this is shown in the provided diagram (11 marks)

QUESTION THREE

- a) Showing appropriate examples in Kenya, discuss seven ways that policy makers would advise Kenyan government to apply to increase the potential contribution of tourism (14 marks)
- b) Explain major economic dimensions of tourism in Africa (6 marks)

QUESTION FOUR

- a) Discuss any five factors that affect supply of tourism services by any particular nation (10 marks)
- b) Write notes the following economic systems providing clear examples for each
 - i. Free Market system
 - ii. Socialist economy
 - iii. Communism (10 marks)

QUESTION FIVE

- a) Differentiate between the concepts of Demand and Supply as applied in Tourism sector (4 marks)
- b) What is meant by the term “ceteris peribus”
- c) From the perspective of a policy-maker, propose seven methods used by the government to influence the supply side in the tourism industry in supply and cost management (14 marks)