



MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ECONOMICS

**SECOND YEAR SPECIAL/SUPPLEMENTARY EXAMINATION FOR
BACHELOR OF SCIENCE (HOSPITALITY AND TOURISM MANAGEMENT)
HTM 208: INTRODUCTION TO ECONOMICS**

DATE: 23/7/2019

TIME: 8:30 – 10:30 AM

INSTRUCTIONS

Answer Question One And Any Other Two Questions

QUESTION ONE (COMPULSORY) (30MARKS)

- a) Differentiate between the concepts of Demand and Supply as applied in Tourism sector (4 marks)
- b) Highlight any six direct elements of the tourism industry of any nation. (6 marks)
- c) State any three basic questions that a society that deal with scarce resources seeks to answer. (3 marks)
- d) State and explain any four roles of tourism as an economic development tool (8 marks)
- e) Highlight any three adverse shocks that affected the Kenyan tourism economy in 2009 (3 marks)
- f) Explain the following effects of tourism:
 - i. Direct effects
 - ii. Indirect effects

iii. Induced effects

(6 marks)

QUESTION TWO (20 MARKS)

Since 1960s Kenya's tourism sector has experienced remarkable growth. Discuss any ten factors that can be attributed to this performance.

QUESTION THREE (20 MARKS)

- a) State and explain seven ways that policy makers would advise Kenyan government to apply to increase the potential contribution of tourism. (14 marks)
- b) Discuss any three principal constraints of the tourism growth rate in Kenya (6 marks)

QUESTION FOUR (20 MARKS)

- a) Discuss any five factors that affect supply of tourism services by any particular nation (10 marks)
- b) State and explain any five techniques used for economic impact analysis of the tourism sector in US (10 marks)

QUESTION FIVE (20 MARKS)

- a) Discuss any seven methods used by the government to influence the supply side in the tourism industry in supply and cost management. (14 marks)
- b) Highlight major economic dimensions of tourism in Africa (6 marks)