



THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE

Faculty of Business & Social Studies

DEPARTMENT OF HOSPITALITY & TOURISM

DIPLOMA IN TOURISM MANAGEMENT

(DTM A09)

INTRODUCTION TO TOURISM ECONOMICS

END OF SEMESTER EXAMS

SERIES: APRIL/MAY 2010.

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

1. The paper consists of **TWO** Sections **A** and **B**.
2. Section **A** is compulsory. Answer **ALL** questions.
3. Answer any **TWO** questions from Section **B**.

SECTION A (Answer **ALL** questions)

- Q.1 (a) Explain the following terms:
- (i) Tourism
 - (ii) Economics
 - (iii) Desire
 - (iv) Demand
 - (v) Supply (10 marks)
- (b) Discuss **FIVE** components of tourism product found in Kenya. (10 marks)
- (c) (i) Discuss the different types of utility. (5 marks)
- (ii) Highlight determinant of utility. (5 marks)

SECTION B

Answer any **TWO** questions from this Section.

- Q.2 Explain the positive economic impacts of tourism in Kenya. (20 marks)
- Q.3 Highlight economic determinant of tourism demand in the industry. (20 marks)
- Q.4 Discuss disadvantages of price decontrol in an economy. (20 marks)
- Q.5 “Tourism is among the leading foreign exchange earner in Kenya”. Explain the role of Kenya government in tourism development. (20 marks)