



# TECHNICAL UNIVERSITY OF MOMBASA

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**SCHOOL OF BUSINESS  
BUSINESS DEPARTMENT  
UNIVERSITY EXAMINATION FOR:  
BACHELOR OF BUSINESS ADMINISTRATION  
BHR 4402: LABOUR ECONOMICS  
END OF SEMESTER EXAMINATION  
SERIES: DECEMBER 2016  
TIME: TWO HOURS  
DATE: DECEMBER 2016 - EXAM B**

## **Instructions to Candidates**

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. Attempt question **ONE (Compulsory)** and any other **TWO** questions

**Do not write on the question paper.**

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## **Question ONE**

**(30marks)**

- “To enhance production, firms need to invest in the human capital that they have, so as to assure them the effectiveness and efficient production” Explain what firms should do to increase productive qualities of the labour force.(10marks)
- Define wage discrimination and explain major reasons why rates of pay and conditions of service between men and women have persisted.(10marks)
- The scope of economics entails the identification of basic economic problems before any society and finding out different possible ways to solve those problems. Discuss the main economic problems faced by every society.(10marks)

## **Question TWO**

**(20marks)**

- Explain ways in which the government interferes with the working of the price mechanisms to ensure that consumers and the producers do not suffer. (10marks)
- “For collective bargaining to be fully effective, there are certain essential prerequisites.” Based on this statement explain the conditions essential for a successful Collective Bargaining.(10marks)

## **Question THREE**

**(20marks)**

- With reference to the Trade Unions Act(cap 236) laws of Kenya, explain the reasons that may lead to the refusal/cancellation of registration of a Trade Union. (10marks)

- b) Critically examine the fundamental causes of Unemployment in Developing Countries and suggest possible policies to address the problems you have examined.(10marks)

**Question FOUR**

**(20marks)**

- a) "According to S.E. Thomas, Labour connotes all human efforts of body or mind which are undertaken in the expectation of reward." Based on this statement discuss the Characteristics of Labour. (10marks)
- b) In Labour Economics, Mobility represents a significant investment in human capital.Labor mobility has proven to be a forceful driver of innovations. Discuss policies that can be used to assist geographical mobility of labour.(10marks)

**Question FIVE**

**(20 marks)**

- a) "The labour market is defined as the informal mechanism where the demand and supply of labour interact" Based on this statement, discuss the concept and the need for Labour Market Information (LMI).(8marks)
- b) Contrast Positive and normative economics (6marks)
- c) Explain with examples factors that promote efficiency of Labour.(6marks)