



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF MANAGEMENT SCIENCE

UNIVERSITY EXAMINATION FOR DEGREE IN BACHELOR OF
COMMERCE

BHR 4404: LABOUR ECONOMICS (PAPER B)

END OF SEMESTER EXAMINATION

SERIES:AUGUST2019

TIME:2

DATE:Pick DateSelect Month

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.

Question ONE

(a) Discuss **FOUR** key factors that affect labour supply in Kenya.

[8 marks]

(b) Explain **FIVE** Economic justification for the existence of Trade Unions.

[10 marks]

(c) Highlight **THREE** constraints faced by the Kenya government in developing human capital.

[6 marks]

(d) Explain the following terms;

(i) Elasticity in demand of labour.

[3 marks]

(ii) Elasticity in supply of labour.

[3 marks]

Question TWO

(a) Discuss **FIVE** factors that influence the labour market in Kenya.

[10 marks]

(b) Discuss the different methods of controlling labour costs.

[10 marks]

Question THREE

(a) Explain **FIVE** factors that are used in increasing labour productivity.

[10 marks]

(b) Using an illustration discuss the income and substitution of labour.

[10 marks]

Question FOUR

Discuss the argument in favour of minimum wages and explain the disadvantages of minimum wage setting.

[20 marks]

Question FIVE

(a) Describe **FIVE** causes and effects of unemployment to an economy.

[10 marks]

(b) Discuss **FIVE** sources to Human Capital differences.

[10 marks]