TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF HUMANITIES AND SOCIAL SCIENCES

DEPARTMENT OF HOSPITALITY & TOURISM MANAGEMENT

UNIVERSITY EXAMINATION

DIPLOMA IN TOURISM MANAGEMENT (DTM)

BHT 2209: TOURISM ECONOMICS

SERIES: AUGUST 2019

TIME:2HOURS

DATE: Pick DateAug2019

Instructions to Candidates
You should have the following for this examination
-Answer Booklet, examination pass and student ID
This paper consists of **FIVE** questions. AttemptChoose instruction.
Do not write on the question paper.

SECTION A (Answer all the questions)   **30 POINTS**

QUESTION ONE

    a) Explain the following concepts (10 marks)

        i. Tourism Demand

        ii. Tourism Supply

        iii. Opportunity Cost

        iv. Micro Economics

        v. Macro economics

    b) Explain five generic factors that can determine demand for beach tourism in a destination such as Mombasa (10 Marks)

    c) Describe a typical supply function for a tourism firm (10 marks)

SECTION B (Answer only <u>TWO</u> questions)

QUESTION TWO

    a) Explain five scenarios in which the "law of demand" is vitiated (10 marks)

b) Using a graphical illustration, explain the law of demand and supply in the market for holiday accommodation (10 marks)

QUESTION THREE

a) Describe economic benefits of tourism (10 marks).

b) Explain the categories of tourism economic impacts (10 marks)

QUESTION FOUR

a) Explain five characteristics of an ideal method for forecasting tourism demand (10 marks)

b) Explain five source of data that can be used in analyzing tourism demand for a destination such as Kenya (10 marks)

QUESTION FIVE

a) With use of examples explain the following types of goods (10 marks)

    i.   Normal goods

    ii.   Inferior goods

    iii.   Complement goods

    iv.   Substitute goods

b) Explain the characteristics of a perfectly competitive market (10 marks)