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 (12 marks)

  i.   Demand schedule

  ii. Ceteris paribus

  iii. Consumer Choice

  iv. Opportunity Cost

  v.   Monopolistic Competition

  vi. Supply function

b) Explain five factors that can affect the demand for holiday accommodation in a hotel in Mombasa (10 Marks)

c) Describe the factor of production (8 marks)

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

QUESTION TWO

a) Distinguish between factors that cause a movement along a demand curve and those that cause a shift of the demand curve (10 marks)

b) Explain five ways in which tourism demand data can be reported (10 marks)

QUESTION THREE

a) Explain the economic impacts of tourism in Kenya (10 marks)
b) Outline methods that can be to estimate tourism impacts in an economic jurisdiction (10 marks)

QUESTION FOUR

a) Explain characteristics of a monopoly (10 marks)

b) Using a graphical illustration, the effect of setting the price of a tourist commodity above the market clearing equilibrium price (10 marks)

QUESTION FIVE

a) State and explain the general form a typical hospitality industry firm's production function (10 marks).
b) Explain conditions necessary for a price discriminating monopolist (10 marks)