



TECHNICAL UNIVERSITY OF MOMBASA

School of Humanities and Social Sciences

Department of HOSPITALITY & Tourism MANAGEMENT

UNIVERSITY EXAMINATION FOR THE:
DIPLOMA IN TOURISM MANAGEMENT (DTM S23)
BHT 2209: TOURISM ECONOMICS
SUPPLEMENTARY EXAMINATION

SERIES: JULY2025

TIME:2HOURS

DATE:Pick DateJulil 2025

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.

SECTION A (Answer all the questions)

30 POINTS

QUESTION ONE

- a) Explain the following concept (8 marks)
- i. Ceteris paribus
 - ii. Marginal utility
 - iii. Supply
 - iv. Cardinality approach
- b) Discuss four causes of diseconomies of scale (8 marks)
- c) Elaborate four effects of inflation (8 marks)
- d) With a aid of a diagram, illustrate shift in demand curve (6 marks)

SECTION B (Answer only TWO questions)

QUESTION TWO

- a) Describe five economic factors that may influence consumer-buying behavior (10 marks)
- b) Elaborate five pricing strategies may be adopted by the private sector in pricing of tourism products in Kenya (10 marks)

QUESTION THREE

- a) Explain five factors that may influence rapid increase in tourism products and services prices in the recent past. (10 marks)
- b) Describe five determinants of a price elasticity of demand for tourist products in a destination (10 marks)

QUESTION FOUR

- a) Discuss five factors that affect supply (10 marks)
- b) Evaluate five ways through which tourism revenues may leak from economy of a destination (10 marks)

QUESTION FIVE

- a) Illustrate five ways through which a destination manager can minimize tourism revenue leakage (10 marks)
- b) Discuss five applications of demand theory in forecasting (10 marks)