



# TECHNICAL UNIVERSITY OF MOMBASA

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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**  
**END OF SEMESTER EXAMINATION ASSESSOR GUIDE**

**SERIES: APRIL 2025**

**TIME: 2 HOURS**

**DATE:** Pick Date April 2025

**Instructions to Assessor**

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

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

**30 POINTS**

**QUESTION ONE**

- a) Explain the following concept (8 marks)
  - i. Human needs
  - ii. Choice
  - iii. Scarcity
  - iv. Consumer demand
- b) Highlight four economic characteristics of tourism products (8 marks)
- c) Explain four problems that can arise due to anticipated inflation in a destination (8 marks)
- d) Outline three factors affecting price determination (6 marks)

**SECTION B (Answer only TWO questions)**

## **QUESTION TWO**

- a) Discuss five factors causing changes in demand for tourism in Kenya (10 marks)
- b) Explain five economic factors that may influence consumer-buying behavior in the tourism industry (10 marks)

## **QUESTION THREE**

- a) Discuss five factors to consider in determining the location of tourism lodge in Kenya (10 marks)
- b) Evaluate five roles of financial institutions in tourism business operations (10 marks)

## **QUESTION FOUR**

- a) Explain five ways in which tourism sector may contribute to the economic development of a country (10 marks)
- b) Describe five characteristics of monopolistic competition market (10 marks)

## **QUESTION FIVE**

- a) Using diagrams, illustrate five probable types of price elasticity of a demand for a tourism product (10 marks)
- b) The revenues for Bonjour Safaris have been declining over a significance period. Elaborate five measures that the management may take to reverse the trend (10 marks)