TECHNICAL UNIVERSITY OF MOMBASA

School of Humanities and Social Sciences

Department of HOSPITALITY & Tourism MANAGEMENT

UNIVERSITY EXAMINATION FOR THE DEGREE OF:

BACHELOR OF SCIENCE IN TOURISM MANAGEMENT (BSTM & BTHM S23)

HHT 4201: ECONOMICS FOR TOURISM

SERIES: DECEMBER 2024

TIME:2HOURS

DATE: Pick DateDECEMBER 2024

Instructions to Candidates
You should have the following for this examination
-*Answer Booklet, examination pass and student ID*
This paper consists of **FIVE** questions. Attemptquestion 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 concepts (10 marks)
   i. Individual Demand
   ii. Market Demand
   iii. Derived Demand
   iv. Final Demand
   v. Intermediate Demand
b) Using a production function, explain the technology used by a representative tourism firm in producing commodities for its consumers. (10 Marks)
c) Describe FIVE metrics that can capture tourism demand data (10 marks)

SECTION B (Answer only TWO questions)

QUESTION TWO

a) Explain the rationale for a destination focusing on the tourism and hospitality industry as its economic mainstay (20 Marks)

QUESTION THREE

a) Using a schematic diagram explain five generic determinants of international tourism arrivals at Kenya's ports of entry (10 Marks)

b) Explain FIVE determinants of own price elasticity of demand (η_p)for a tourism commodity (10 marks)

QUESTION FOUR

a) Explain the Concept "Tourism Satellite Account" (2 Marks);

b) Explain the FOUR (4) core physical flow accounts in the system of environmental economic accounting for the tourism industry (8 marks)

c) Explain the concept tourism multiplier (2 marks)

d) Describe the FOUR (4) types of tourism economic impacts (8 marks)

QUESTION FIVE

a) Using a diagrammatic representation, explain the circular flow of income in the economy (10 marks)

b) Explain the Concept "Gross Domestic Product" (2 marks)

c) Explain FOUR (4) criticisms to the use of GDP as a macro-economic indicator (8marks)