



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 S23)
HHT 4201: TOURISM ECONOMICS
END OF SEMESTER EXAMINATION

SERIES: JULY 2025

TIME: 2 HOURS

DATE: Pick Date Jul 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 *Choose 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. Controlled economy
 - ii. Gross National Product
 - iii. Gross Domestic Product
 - iv. Income elasticity of demand
 - v. Own price elasticity of demand
- b) Using a suitable diagram, describe the flow of materials from the environment and the economy as espoused in the system of environmental economic accounting (SEEA) (10 Marks)
- c) Describe FIVE Scenarios where the law of demand is vitiated (10 Marks)

SECTION B (Answer only TWO questions)

QUESTION TWO

- a) Explain the pitfalls of a destination overdependence on the tourism industry as its economic mainstay (20 Marks)

QUESTION THREE

- a) What is meant by imperfect competition? (2 marks)
- b) Explain FOUR (4) market structures under imperfect competition (8 Marks)
- c) Describe FIVE necessary conditions for price discrimination in the context of tourism (10 marks)

QUESTION FOUR

- a) Using a graphical presentation, explain the market clearing dynamics in a perfectly competitive market for a tourism commodity (10 marks)
- b) Outline FIVE (5) economic constraints to tourism growth in a developing country such as Kenya (10 Marks)

QUESTION FIVE

- a) Using a simple three sector economy illustration, describe the basic structure of the Input-Output tables (10 marks)
- a) Describe FIVE (5) strategies you would recommend to enhance the economic impacts of tourism expenditure at a destination area like the Coast (10 marks)