TECHNICAL UNIVERSITY OF MOMBASA

School of Humanities and Social Sciences

Department of HOSPITALITY & Tourism MANAGEMENT

UNIVERSITY EXAMINATION FOR THE DEGREE OF:

BACHELOR OF TECHNOLOGY IN HOSPITALITY MANAGEMENT

(BTHM/SEP2022)

HHH 4306: ECONOMICS FOR HOSPITALITY

END OF SEMESTER EXAMINATION

SERIES: APRIL 2025

TIME:2HOURS

DATE: Pick DateAPRIL 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. AttemptChoose instruction.
Do not write on the question paper.

SECTION A (Answer all the questions) **30 POINTS**

QUESTION ONE

a) With examples from the tourism context, explain the following concepts (10 marks)
   i. Perfectly Competitive Markets
   ii. Opportunity Cost
   iii. Market Demand
   iv. Marginal Utility
   v. Tourism Market

b) Using a suitable schematic diagram explain five economic drivers of the demand for holiday accommodation in Mombasa (10 marks).

c) Explain five situations in which the law of demand is vacated (10 marks).

SECTION B (Answer only TWO questions)

QUESTION TWO

a) Discuss the drawbacks of overdependence on tourism in a developing country such as Kenya (10 marks).
b) Explain the concept of the 'Economic Impact of Tourism' and identify the different types of economic impacts associated with it (10 marks)

QUESTION THREE

a) Discuss the characteristic features of market structures in the context of perfect competition (10 Marks)
b) Using a schematic diagram explain the Concept – Circular Flow of Incomes (10 marks).

QUESTION FOUR

a) Explain the determinants of supply for tourist holiday experiences in the post-pandemic era (10 marks);
b) Describe five strategies that you would suggest for a destination to raise per-capita tourist expenditure at the location (10 marks)

QUESTION FIVE

a) Utilizing a graphical representation, explain the equilibrium dynamics in a perfectly competitive market (10 marks);
b) Explain the Concept Tourism Multipliers. (2 marks)
c) Explain the derivation of the Leontief Inverse (6 marks)
d) Explain the structure of an Input-Output Model for a three sector economy (4 marks)