



THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE

Faculty of Business & Social Studies

DEPARTMENT OF HOSPITALITY & TOURISM

DIPLOMA IN TOURISM MANAGEMENT

(DTM J09)

TOURISM ECONOMICS II

END OF SEMESTER EXAMS

SERIES: APRIL/MAY 2010.

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

1. This paper consists of **TWO** sections **A** and **B**.
2. Section **A** is compulsory and carries 30 marks)
3. Answer any **TWO** questions from Section **B**, each question carries 20 marks.

SECTION A

(Answer **ALL** questions.)

- Q.1 (a) Discuss the methods used in measuring of national income. (10 marks)
- (b) Explain the determinants of a consumption function in an economy. (10 marks)
- (c) Outline the disadvantages of Barter system of trade. (10 marks)

SECTION B

(Answer any **TWO** questions)

- Q.2 (a) Discuss the importance of measuring national income of a country. (20 marks)
- Q.3 Critically evaluate the arguments for and against equitable distribution of income in an economy. (20 marks)
- Q.4 (a) Discuss various ways that the Kenyan government can use to reduce unemployment. (10 marks)
- (b) Discuss the various strategies that can be used to reduce leakage of earnings from tourism. (10 marks)
- Q.5 Discuss the economic roles of tourism to an economy. (20 marks)