



KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2011/2012

**SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF
SCIENCE (HOSPITALITY AND TOURISM)**

HTM 208: INTRODUCTION TO ECONOMICS IN HOSPITALITY AND TOURISM

DATE: Friday 30th March, 2012

TIME: 8.00-10.00 a.m.

INSTRUCTIONS

Attempt ALL Questions in SECTION A and any TWO in SECTION B

SECTION A: 30 MARKS

- Q.1) Describe the nature and limitations of economic theory. (6 marks)
- Q.2) Giving relevant examples explain at least FIVE basis on which tourism can be classified. (10 marks)
- Q.3) Explain your understanding of economic growth and ways of measuring the rate of economic growth. (7 marks)
- Q.4) Using relevant examples, distinguish between 'resource-based tourism product' and 'user orientation tourism product'. (8 marks)

SECTION B: 40 MARKS

Attempt any TWO Questions

- Q.5) (i) Using any sector of the hospitality and tourism industry as an example highlight some of the economic impacts and multiplier effects that accrue to it. (10 marks)

- (ii) Explain at least FIVE main goals/objectives achieved through economic growth. (10 marks)
- Q.6) (i) Discuss at least FIVE factors that contribute to the rise or fall in supply. (10 marks)
- (ii) Describe some of the determinants or factors of elasticity of supply. (10 marks)
- Q.7) (i) Discuss the economic variables likely to determine and affect tourism demand. (10 marks)
- (ii) Economics revolves around methods and possibilities of solving the economic problem. Briefly discuss your understanding of this statement. (10 marks)