



MOI UNIVERSITY

OFFICE OF THE DEPUTY VICE CHANCELLOR, ACADEMIC AFFAIRS,
RESEARCH & EXTENSION

UNIVERSITY EXAMINATIONS 2013/2014 ACADEMIC YEAR

FORTH YEAR END OF SEMESTER I EXAMINATIONS

FOR THE DEGREE OF
BACHELOR OF BUSINESS MANAGEMENT

EXAM CODE:- ECO 418

COURSE TITLE:- LABOUR & INDUSTRIAL ECONOMICS

I

DATE:- 10TH OCTOBER, 2013 TIME:- 9.00A.M. - 12.00 NOON.

INSTRUCTION TO CANDIDATES
> SEE INSIDE.

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ECO 418 LABOUR AND INDUSTRIAL ECONOMICS I

Instructions to Candidates;-

Attempt **Any Four** Questions.

All Questions Carry **Equal** Marks

QUESTION ONE

1) Define the following terms:

- a) Labour force (2 marks)
- b) Unemployment rate (2 marks)
- c) Earnings (2 marks)
- d) Total compensation (2 marks)
- e) Economic rent (2 marks)

b) Discuss any FIVE factors that lead to market failure (15 marks)

QUESTION TWO

a) Giving relevant examples, discuss why demand curve of labour slopes downwards (15 marks)

b) Analyze critically the process of MANPOWER PLANNING (10 marks)

QUESTION THREE

a) State and explain the types of labour markets citing their advantages and disadvantages. (15 marks)

b) Define the term Collective Bargaining and discuss its effects in the Kenyan set up. (10 marks)

QUESTION FOUR

a) Using Hicks-Marshall laws of derived demand discuss how these laws affect the magnitude of the elasticity of labor demand citing relevant examples in Kenya (12 marks)

b) Distinguish using appropriate diagrams the Substitution and the Scale effects (13 marks)

QUESTION FIVE

a) Distinguish between the 2nd and the 3rd HICKSMASHALL LAWS of derived demand (10 marks)

b) Discuss the importance of MANPOWER PLANNING in any organization (15 marks)

QUESTION SIX

a) Explain using suitable diagrams the factors that may lead to shift in a labour supply curve (13 marks)

✓ Explain any FOUR types of unemployment experienced in developing countries ✓ (12 marks)

.....**END**.....