



# **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) Define the following economic concepts:
- (i) Gross Domestic product. (10 marks)
  - (ii) Gross National product. (5 marks)
  - (iii) Net National product. (5 marks)
  - (iv) Net National Income. (2 marks)
  - (v) Disposable personal income. (4 marks)
- (b) Highlight **FIVE** functions of money. (4 marks)
- (c) Outline **FIVE** qualities of good money. (4 marks)
- (d) (i) Define the term inflation. (2 marks)
- (ii) List four types of inflation. (4 marks)
- (iii) Outline **FOUR** causes of inflation in Kenya. (4 marks)

**SECTION B**  
(Answer any **TWO** questions)

- Q.2 (a) Discuss factors affecting tourism's contribution to GDP of a country. (10 marks)
- (b) Explain the difficulties in measuring tourism contribution to GDP. (10 marks)
- Q.3 Discuss the impacts of tourism development to a country's economy. (20 marks)
- Q.4 Discuss the various types of unemployment and mention methods which may be used to deal with them. (20 marks)
- Q.5 Critically analyze the economic role the government of Kenya has played in development of tourism. (20 marks)