



**UNIVERSITY OF KABIANGA**

**UNIVERSITY EXAMINATIONS**

**2017/2018 ACADEMIC YEAR**

**FOURTH YEAR SECOND SEMESTER EXAMINATION**

**FOR THE DEGREE OF  
BACHELOR OF ARTS (ECONOMICS)**

**COURSE CODE: ECO 419**

**COURSE TITLE: ECONOMICS OF LABOUR AND  
INDUSTRY II**

**DATE: 6<sup>TH</sup> JULY, 2018**

**TIME: 2.00 P.M - 5.00 P.M.**

---

**INSTRUCTIONS TO CANDIDATES**

- SEE INSIDE

THIS PAPER CONSISTS OF (2) PRINTED PAGES

PLEASE TURN OVER

**MAIN CAMPUS**

140800e

**COURSE CODE** : ECO 419  
**COURSE TITLE** : ECONOMICS OF LABOUR AND INDUSTRY II  
**DURATION** : 3 HOURS  
**MAIN EXAMS**

**Instructions: Answer question ONE and any other THREE questions**

**QUESTION ONE (25 MARKS)**

- a) Examine the key obstacles faced by developing countries in their industrial sectors and how they can be overcome. (12 marks)
- b) Explain various factors that justify wage differential in the labour market within the same occupation (7 marks)
- c) Explain the factors that tend to make agricultural wages to be lower than that of industrial sector (6 marks)

**QUESTION TWO (15 MARKS)**

- a) As an economist, what would you expect to be economic consequences in which prices of some products are fixed by the government and not by the forces of demand and supply in a free market? (8 marks)
- b) Give reasons why small scale firms continue to operate where large scale producers are dominating (7 marks)

**QUESTION THREE (15 MARKS)**

- a) Explain why safety and health of workers are of priority in the work place (8 marks)
- b) Give your understanding of the following:
- i) Workers compensation (2 marks)
  - ii) Environmental protection (5 marks)

**QUESTION FOUR (15 MARKS)**

- a) Citing relevant examples from Kenya, examine how the concept of vertical integration has been applied. (6 marks)
- b) Give reasons why monopolies are considered harmful? Can they ever be beneficial? (9 marks)

**QUESTION FIVE (15 MARKS)**

- a) Explain the strategies applied by Japan to have emerged to be one of the industrialized nation of the world (8 marks)
- b) Assess the main reasons as to why the government regulate business activities in your country, (7 marks)