



(University of Choice)

**MASINDE MULIRO UNIVERSITY OF
SCIENCE AND TECHNOLOGY
(MMUST)**

SPECIAL/SUPPLEMENTARY EXAMINATION

**UNIVERSITY EXAMINATIONS
2021/2022 ACADEMIC YEAR**

SECOND YEAR SECOND SEMESTER EXAMINATIONS

**FOR THE DEGREE
OF
BACHELOR OF SCIENCE IN ECONOMICS**

COURSE CODE: ECO 207

COURSE TITLE: ECONOMICS OF HUMAN CAPITAL

DATE: 26-07-2022- TUESDAY TIME: 14:00- 16:00

INSTRUCTIONS TO CANDIDATES

ATTEMPT QUESTION **ONE** AND ANY OTHER **TWO**

TIME: 2 Hours

MMUST observes ZERO tolerance to examination cheating

This Paper Consists of 3 Printed Pages. Please Turn Over.

QUESTION ONE (COMPULSARY)

- a) Sustainable Development Goal 3 is meant to ensure healthy lives and promote well-being for all. Examine the various forms of health expenditure that will contribute to the realization of the SDG goal 3 which will also in turn add to capital formation. **(8 marks)**
- b) Distinguish between human capital and human development. **(6 marks)**
- c) Discuss the contribution of human capital formation on the performance of any economy. **(16 marks)**

QUESTION TWO

- a) Explain the conventional approaches of measuring human capital their respective demerits. **(14 marks)**
- b) Distinguish between education as an investment and as a consumption commodity. **(6 marks)**

QUESTION THREE

- a) Discuss the human capital theory by outlaying its applicability and criticisms in Kenya. **(12 marks)**
- b) Briefly explain the criticisms levied against the theory of human capital. **(8 marks)**

QUESTION FOUR

- a) It is a good idea that the government introduced free primary education in her bid to achieve national goals. Explain the considerations that should be put in place to realize the full potential of the program. **(10 marks)**
- b) When brain drain is prevalent in a developing country, there may be some negative repercussions that can affect the economy development. Discuss. **(10 marks)**

QUESTION FIVE

The development of the set of individual that makes up the workforce of an organization, business sector or economy remains vital for developing nations. Basing your argument on the statement and Kenya as a country, examine essential features and benefits of human resource development. **(20 marks)**