



(University of Choice)

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

MAIN 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: THURSDAY 28-04-2022

TIME: 12:00-14:00

INSTRUCTIONS TO CANDIDATES

ATTEMPT QUESTION ONE AND ANY OTHER TWO

TIME: 2 Hours

MMUST observes ZERO tolerance to examination cheating

This Paper Consists of 4 Printed Pages. Please Turn Over.

QUESTION ONE (COMPULSORY)

- a) Examine the various forms of human capital resources. (4 marks)
- b) Human capital development is the process of acquiring and increasing the number of persons who have the skills, education and experience which are critical for economic and political development of a country. Research and human capital development in Kenya are faced with enormous challenges explain? (16 marks)
- c) The formulation of a national plan for education requires analysis of the basic factors which must be considered, with equal emphasis on immediate needs and on the requirements of comprehensive long-term planning. Explain. (10 marks)

QUESTION TWO

- a) Using illustrations enumerate the push and pull factors that causes brain drain of human capital in Kenya. (10 marks)
- b) Explain the differences between Human capital and physical capital. (10 marks)

QUESTION THREE

- a) The most important factor in human capital formation is the development of top skills. Discuss the various ways in which a country can build the capacity of its human resource according to T.W. Schultz. (12 marks)
- b) Distinguish between human capital formation and human resource development. (2 marks)
- c) Kenya cannot achieve the desired rate of development and growth without investing in the development of quality human factor. Examine the aspects that the government has put in place to achieve the objective. (6 marks)

QUESTION FOUR

The demand and supply for labour is a critical component in the labour market.

- a) Distinguish between labour supply and demand. (2 marks)

b) Discuss the determinants of elasticity of labour demand and supply.

(18 marks)

QUESTION FIVE

a) Access to education is one of the basic rights as enshrined under the 2010 constitution. The government launched the free primary education program, critically examine the successes and challenges free primary education. (18 marks)

b) Examine any two ways of financing human capital development. (4 marks)

