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(*University of Choice*)

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MMUST)

MAIN EXAMINATION

UNIVERSITY EXAMINATIONS
2023/2024 ACADEMIC YEAR

THIRD YEAR FIRST SEMESTER EXAMINATIONS

FOR THE DEGREE
OF
BACHELOR OF COMMERCE (HUMAN RESOURCE MANAGEMENT OPTION)

COURSE CODE: BCB 308

COURSE TITLE: LABOUR ECONOMICS

DATE: TUESDAY 19-12-2023 TIME: 8:00 -10:00

INSTRUCTIONS TO CANDIDATES

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

TIME: 2 Hours

MMUST observes ZERO tolerance to examination cheating

QUESTION ONE

a) Discrimination in the labour market is one of the major challenges currently facing the global labour market. Identify Four major types of discrimination and suggest measures that the government of Kenya is taking to address these challenges. (10 Marks)

b) To some extent, Mobility of labour is regarded as healthy for an economy and a good stimulator in achieving full employment level. Outline Five factors that may mitigate against mobility of labour. (10 Marks)

c) With the help of a well labelled diagram, explain how a firm in a monopsony labour market determines equilibrium profit maximizing employment level. (10Marks)

QUESTION TWO

a) According to employment survey done in 2018 by the Kenya Bureau of Statistics, the rate of unemployment in Kenya was at 65% of the labour market. Suggest Five measures which the ministry of Economic Planning and Development can take to alleviate this problem (10 Marks)

b) Elasticity of demand for labour usually depends on four major factors. Discuss (10 Marks)

QUESTION THREE

a) The Kenyan economy is currently grappling under a huge public debt, expert blame it on massive public borrowing and inability to service the debt due to rampart inefficiency within her labour force. Advance Five ways in which Kenya can tackle the problem of inefficiency of its labour force. (10 Marks)

b) Using a well labelled model, illustrate how a human resource manager use the law of diminishing marginal returns to attain an optimum level of employment in his/her organization. (10 Marks)

QUESTION FOUR

a) Hephzibah Manufacturing company is considering increasing its scale of production through public issue of shares from the current small scale to a large scale. As a student of labour economics, explain to the managers Five benefits that the company is likely to accrue by operating on large scale. (10 Marks)

b) Outline Five disadvantages of Division of Labour and suggest the measures that a company could adopt to solve each of them. (10 Marks)

QUESTION FIVE

a) There is general feeling that trade unions bring much benefit to employees rather than the employer. Advance Five reasons against this argument (10 Marks)

b) Demand for labour is generally viewed as a kind of derived demand. Using the Hicks-Marshals' law, justify this proposition (10 Marks)