



# **MURANGA UNIVERSITY COLLEGE**

(A constituent College of Jomo Kenyatta University of Agriculture & Technology)

**MAIN CAMPUS**

**ORDINARY UNIVERSITY EXAMINATIONS**

**2014/2015 ACADEMIC YEAR**

**SECOND YEAR FIRST SEMESTER EXAMINATIONS**

**FOR THE DEGREE  
OF  
BACHELOR SCIENCE, HUMAN RESOURCE MANAGEMENT**

**COURSE CODE: HEH 220 1**

**COURSE TITLE: LABOUR ECONOMICS**

**DATE: 16<sup>th</sup> DECEMBER, 2015**

**TIME: 2 HOURS**

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**INSTRUCTIONS TO CANDIDATES**

Question ONE (1) is compulsory  
Answer THREE (3) questions

MRUC observes ZERO tolerance to examination irregularities

### **QUESTION 1**

- (a) By end of 2011 the World population reached an astounding mark of 7 billion people and out of this population about 4.5 billion live in Asia. This population has enticed multinationals from west to set-up industries in most of East Asian countries to take advantage of cheaper labour. From your own understanding what are the advantages and disadvantages of increasing population in an economy. (20 Marks)
- (b) State the law of non proportional returns. What are the assumptions of this law? The law has vast general applicability. Briefly discuss the application of this law. (10 marks)

### **QUESTION 2**

- a) Highlight the factors which have contributed to the increase of the participation rate of women in the labour market (4 Marks).
- b) Discuss the main factors determining the efficiency of labour (6 Marks)
- c) Discuss the factors that are responsible for wage differentials within the same occupation (10 marks).

### **QUESTION 3**

- a) Unemployment rates in Kenya have been rising steadily for the last decade despite expansion of University education. You have been contracted by Ministry of Youth and sports to advise on the various methods that can be adopted to solve the problem of unemployment for youth. What is your advise? (10 Marks)
- b) Discuss some of the most important factors affecting the wages of workers (10 marks).

### **QUESTION 4**

Explain the logic of trade unionism and critically examine the role of trade unions in the competitive global business environment. (10 marks)

- (a) Discuss the importance of collective bargaining as a way of settling industrial disputes. (10 marks)