



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF HUMAN RESOURCE

UNIVERSITY ORDINARY EXAMINATION

2023/2024 ACADEMIC YEAR

**SECOND YEAR FIRST SEMESTER EXAMINATION FOR BACHELOR OF
SCIENCE IN HUMAN RESOURCE MANAGEMENT**

BHR 201 – LABOUR ECONOMICS

DURATION: 2 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Answer question **ONE** and any other **TWO** questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

SECTION A (30 MARKS)

QUESTION ONE (30 MARKS)

- a) Define labour economics and distinguish between the following set of items
 - i. Division and specialization of labour (5 marks)
 - ii. Population growth and population density (5 marks)
 - iii. Economies and diseconomies of scale. (5 marks)
- b) Discuss four advantages and four disadvantages of specialization of labour. (8 marks)
- c) Discuss the fatal effects of overpopulation in a developing nation. (7 marks)

SECTION B (40 MARKS) ANSWER ANY TWO QUESTIONS

QUESTION TWO (20 MARKS)

- a) Discuss the factors responsible for wage differentials within the same occupation. (10 marks)
- b) Explain the essential conditions for successful collective bargaining. (10 marks)

QUESTION THREE (20 MARKS)

- a) Labour is said to be different from the other factors of production. Discuss these differences. (10 marks)
- b) Discuss the factors that bring about elasticity of labour demand. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Every employee is entitled to joining a trade union. Discuss the factors affecting labour unions in Kenya. (10 marks)
- b) Discuss the factors that influence the supply of labour in Kenya. (10 marks)