



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

UNIVERSITY ORDINARY EXAMINATION

2024/2025 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 – ANSWER ALL QUESTIONS IN THIS SECTION

QUESTION ONE (30 MARKS)

Discuss the meaning of the following, giving examples in each case.

- i. Labour economics (5 marks)
- ii. Economics of scale (5 marks)
- iii. Division and specialization of labour (5 marks)
- iv. Law of non-proportional returns (5 marks)
- v. Collective bargaining (5 marks)
- vi. Trade unionism (5 marks)

SECTION B – ANSWER ANY TWO QUESTIONS IN THIS SECTION

QUESTION TWO (20 MARKS)

- a. The County government of Murang'a has requested you to write a policy on how to combat poverty in the county. What measures would you recommend for implementation? (10 marks)
- b. Explain factors responsible for wage differential within the same occupation. (10 marks)

QUESTION THREE (20 MARKS)

- a. Discuss the factors which determine supply of labour in an economy. (10 marks)
- b. Although labour is relatively mobile geographically, there are factors which act as barriers to its geographical mobility. Explain this statement. (10 marks)

QUESTION FOUR (20 MARKS)

- a. Discuss five monopolistic practices. (10 marks)
- b. Explain three theories of wage determinations. (10 marks)