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UNIVERSITY EXAMINATIONS 2024/2025

FIRST YEAR, SECOND SEMESTER EXAMINATION FOR POST GRADUATE DIPLOMA OF
EDUCATION

EMG 4152: EDUCATIONAL ECONOMICS

DATE: JANUARY 2025

TIME: 3 HOURS

INSTRUCTIONS: *Answer Question ONE and any other THREE Questions.*

QUESTION ONE (24 MARKS)

- a) Explain the following concepts as applied in economics of education. (4 Marks)
- i. Opportunity Cost
 - ii. Earnings Foregone
 - iii. Demand for education
 - iv. Supply for education
- b) There has been a dire shortage of educational resources in developing countries around the world. Suggest four policy strategies by which this problem can be solved (4 Marks)
- c) Explain any five factors influencing private demand for education in third world countries (4Marks)
- d) Explain how income level disparities influence equity in education in Kenya. (4 Marks)
- e) Briefly explain four causes of increased wastage in public education in developing nations around

the world.

(4 Marks)

- f) Describe four interventions currently being undertaken by the Kenyan government to enhance supply of education in the country. (4 Marks)

QUESTION TWO (12 MARKS)

- a) Education acts as a mechanism through which socio-economic growth and development of a nation is enhanced. Discuss this statement citing examples drawn from Kenya. (6 Marks)
- b) Discuss six causes of educated unemployment, in developing countries giving a practical solution to each cause. (6 Marks)

QUESTION THREE (12 MARKS)

- a) "Investment in education incurs a lot of costs and generates excessive benefits at both an individual and societal levels." Discuss this statement giving an example in each case. (6 Marks)
- b) Discuss six challenges facing developing countries in financing education for their citizens, suggesting a possible solution in each case. (6 Marks)

QUESTION FOUR (12 MARKS)

- a) Discuss six factors affecting negatively the efficiency of the 8-4-4 system of education in Kenya, suggesting how the efficiency can be improved in each case. (6 Marks)
- b) Discuss six methods used by the educational economists to measure the internal efficiency of an education system. (6 Marks)

QUESTION FIVE (12 MARKS)

- a) Increasing demand for higher education is a very big economic issue in the developing world. Discuss the issues associated with this increase, citing strategies to manage the demand. (6 Marks)
- b) Discuss six drawbacks facing developing nations in a bid to achieve equity in educating their citizens. (6 Marks)