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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)

- Opportunity Cost
- Earnings Foregone
- Demand for education
- 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)