



MERU UNIVERSITY OF SCIENCE AND TECHNOLOGY

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University Examinations 2023/2024

FOURTH YEAR SECOND SEMESTER EXAMINATION FOR THE DEGREE OF
BACHELOR OF SCIENCE IN ECONOMICS

BEC 3454: ECONOMICS OF INDUSTRY

DATE: APRIL 2024

TIME: 2 HOURS

INSTRUCTIONS: Answer question *one* and any other *two* questions

QUESTION ONE (30 MARKS)

- a) Explain the causes and types of internal economies. (10 marks)
- b) Critically evaluate the stages of industrialisation given by Hoffman (8marks)
- c) Define market concentration and discuss the factors which are responsible for market concentration. (12marks)

QUESTION TWO (20 MARKS)

- a) Explain the concept of company and different types of company. (6marks)
- b) Explain briefly the importance of small-scale industries in Kenya. (8marks)
- c) Explain the different stages of innovation (6marks)

QUESTION THREE (20 MARKS)

- a) Discuss the importance of Large Industry. (6marks)
- b) Describe the problems of large industries. (6marks)
- c) Discuss the main constraints of the growth of firm. (8marks)

QUESTION FOUR (20 MARKS)

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Foundation of Innovations

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- a) Discuss the factors upon which the speed of industrialization depends (10 marks)
- b) Discuss the causes of underutilisation of capacity. (5marks)
- c) Define term productivity and discuss the popular misconceptions about productivity (5marks)

QUESTION FIVE (20 MARKS)

- a) Explain the factors which influence the location of Industries. (8marks)
- b) Explain the significance of capacity utilisation (4marks)
- c) Explain the various measures for better capacity utilisation. (8marks)