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KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR
FIRST YEAR, SECOND SEMESTER EXAMINATION
FOR THE DIPLOMA IN HUMAN RESOURCE MANAGEMENT
DBA 1302: LABOUR ECONOMICS

Date: 11TH APRIL 2024

Time: 2:30PM-4:30PM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a. State and explain any three methods used in measuring the size of labour force. **(6 Marks)**
- b. Labour market theory being a model, can be used to understand complex situations in an economy. Which are some of the assumptions that must be made so that the theory is proven? **(4 Marks)**
- c. ANGELS, a hair company in Ruiru town in Kiambu County has very many employees. Describe some of the methods that the management of ANGELS use to compensate their workers. **(4 Marks)**
- d. Using a graph, state and illustrate the effect of increasing price of capital on the demand curve for labour. **(6 Marks)**
- e. Describe three fundamentals issues which should be of concern under the collective bargaining agreements of the labour union. **(6 Marks)**
- f. Define and graphically illustrate the wage offer distribution curve. **(4 Marks)**

QUESTION TWO (20 MARKS)

- a. Currently, most countries in sub-Saharan Africa are operating under a socialist economic system where government intervention is a key feature. Highlight any four roles that the government performs especially in the market for labour in these economies. **(4 Marks)**
- b. Describe the following labour market theories:
 - i. Segmentation theory. **(4 Marks)**
 - ii. Discrimination theory. **(4 Marks)**
- c. Discuss the economic impacts of labour unions on wages in the labour market. **(8 Marks)**

QUESTION THREE (20 MARKS)

- a. Discuss the key factors that contribute to individuals deciding how much labour hours to supply in a given period. **(8 Marks)**
- b. Describe how Adam Smith Wage Fund Theory contributes to Unemployment in Kenya. **(6 Marks)**
- c. Consider a situation where a highly skilled worker in a technology-oriented job is contemplating to move from a rural area to an urban centre. Utilizing the factors determining the mobility of labour, analyse six factors that might influence the worker's decision. **(6 Marks)**

QUESTION FOUR (20 MARKS)

- a. The scope of labour economics is broad and encompasses a range of topics. State and explain any five microeconomics and/or macroeconomic issues covered under the scope of labour economics. **(10 Marks)**
- b. Discuss the key assumptions and principles of the classical approach in understanding employment and output levels. **(8 Marks)**
- c. Differentiate between the labour intensive and capital intensive models of labour demand. **(2 Marks)**

QUESTION FIVE (20 MARKS)

- a. Discuss how various labour mobility obstacles contribute to economic challenges of a country. **(10 Marks)**
- b. Consider a manufacturing company aiming to enhance its overall productivity of labour. Propose and explain the methods of measuring labour productivity that the company can implement. **(10 Marks)**