

**UNIVERSITY OF KABIANGA**

**UNIVERSITY EXAMINATIONS**

**2014/2015 ACADEMIC YEAR**

**FOURTH YEAR FIRST SEMESTER EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF ARTS (ECONOMICS)**

**COURSE CODE: ECO 418**

**COURSE TITLE: ECONOMICS OF LABOUR AND INDUSTRY 1**

**INSTRUCTIONS:**

Answer question **ONE** and any other **THREE** questions.

**QUESTION ONE**

1. “Labour markets do not always operate under competitive conditions because of certain features that hinder the forces of demand and supply to operate freely, making the labour market to be in disequilibrium almost indefinite.” Support your statement in relation to Kenya. (10 marks)
2. Asses the factors that determine the effectiveness of trade unions. (8 marks)
3. Explain what you understand by demand for labour and evaluate its determinants. (7 marks)

**QUESTION TWO**

1. Is Malthusian theory applicable to less developed countries? Give reasons and its limitations. (11 marks)
2. Distinguish between perfect labour market and imperfect labour market. (4 marks)

**QUESTION THREE**

1. Discuss the importance of manpower planning in an organization. (9 marks)
2. Give your understanding about the following terms:
3. Recruitment. (2 marks)
4. Induction. (2 marks)
5. Placement. (2 marks)

**QUESTION FOUR**

1. Discuss the factors that are responsible for wage differentials between countries. (8 marks)
2. Explain ground on which increment claims may be made by trade unions. (7 marks)

**QUESTION FIVE**

1. Describe the factors that limit the success of trade unions in developing countries. (8 marks)
2. Explain the determinants of labour supply. (7 marks)

**QUESTION SIX**

1. Explain the sources and cost of human capital acquisition. (8 marks)
2. Discuss the human capital theory and its limitations. (7 marks)