

**UNIVERSITY OF KABIANGA**

**UNIVERSITY EXAMINATIONS**

**2015/2016 ACADEMIC YEAR**

**FOURTH YEAR SECOND SEMESTER EXAMINATION**

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

**COURSE CODE: ECO 419**

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

**INSTRUCTIONS:**

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

**QUESTION ONE**

1. Examine the role that industries play in developing countries. (10 marks)
2. Give reasons as why government regulate business activities in the country. (8 marks)
3. Explain why safety and health of workers are to be priorities in the work place. (7 marks)

**QUESTION TWO**

1. Explain how the prisoner’s dilemma can be applied to oligopoly pricing. (7 marks)
2. Discuss the conditions necessary for price discrimination. (8 marks)

**QUESTION THREE**

1. Give reasons why small-scale firms continue to exist in an economy dominated by large scale producers. (7 marks)
2. State and explain the similarities between perfect competition and monopolistic competition. (8 marks)

**QUESTION FOUR**

1. State and explain the advantages and disadvantages of localization of firms. (8 marks)
2. Assess various strategies oligopolies use in pricing their products. (7 marks)

**QUESTION FIVE**

1. Giving examples, explain various methods of regulating public utilities. (5 marks)
2. Give reasons why government involve in business activities. (5 marks)
3. Access advantages of mixed economy. (5 marks)