



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2016/2017

**THIRD YEAR FIRST SEMESTER EXAMINATION FOR DEGREE
OF BACHELOR OF ARTS IN ECONOMICS WITH
INFORMATION TECHNOLOGY**

CITY CAMPUS - DAY

AEC 312: URBAN ECONOMICS

Date: 30th November, 2016

Time: 2.00 - 5.00pm

INSTRUCTIONS:

- Answer Question ONE in Section A and any other TWO in Section B



QUESTION ONE

- a) What is urbanization? (2 marks)
- b) Explain the main causes of urbanization in Kenya (16 marks)
- c) Explain the various type of agglomeration economies of scale (12 marks)

QUESTION TWO

Urban economic growth refers to the increase in the per capita income of the residents of any given urban centre. With reference to this:-

- a) What are the sources of urban economic growth (10 marks)
- b) Using an appropriate diagram, discuss how technological progress can affect the Locational Equilibrium of a town. (10 marks)

QUESTION THREE

- a) With reference to the theories of economic growth, explain the economic base theory. (10 marks)
- b) Outline the methods of determining the base sector of an urban unit (10 marks)

QUESTION FOUR

Discuss the principle of median location as is being advance in urban economics (20 marks)

QUESTION FIVE

a) The promulgation of the constitution in 2010 saw the devolution of the government functions to the county level. In light of this, highlight the major functions of the local/ county governments. (10 marks)

b) Public goods are those goods provided by the government and whose benefits extend to a group of individuals or the society as a whole. Classify these goods and explain the major characteristics of these goods.

(10 marks)