MACHAKOS UNIVERSITY

University Examinations for 2022/2023 Academic Year

SCHOOL OF BUSINESS, ECONOMICS AND HOSPITALITY AND TOURISM MANAGEMENT

DEPARTMENT OF ECONOMICS

THIRD YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF ECONOMICS

EAE 305: URBAN ECONOMICS

DATE: **TIME:**

INSTRUCTIONS:

Answer Question ONE and any other TWO questions

QUESTION ONE (COMPULSORY) (30 MARKS)

a)   Differentiate between the following concepts as applied in urban economics.

      i.   Agglomerative and localization economies   (3 marks)

      ii.   Urbanization and urban economies   (3 marks)

      iii.   Cities and Urban centers   (4 marks)

b)   Describe any four factors that influence the demand of urban housing   (10 marks)

c)   "One of the critical problems facing most cities in the world is he traffic congestion in all the roads." Citing Nairobi as an example, describe four probable solutions that a government may use to address problem.   (10 marks)

QUESTION TWO (20 MARKS)

a) Highlight the key features of Burgess Concentration zone model   (10 marks)

b) Does the model in (a) above explain Nairobi's urban development: Why or why not: support your answer.   (10 marks)

QUESTION THREE (20 MARKS)

a) What do you understand by an urban service boundary? How does it affect spatial locational choices for both households and business firms in the urban areas?   (6 marks)

b) Discuss any four sources of financing for the urban areas.   (8 marks)

c) Describe the Hedonic Model of urban housing supply.   (6 marks)

QUESTION FOUR (20 MARKS)

a) Discuss the merits and demerits of public private partnership approach in the provision of urban services in the developing countries" cities.   (10 marks)

b) Explain how the phenomenon of "rural urban migration" has affected the process of urbanization in the African continent cities.   (10 marks)

QUESTION FIVE (20 MARKS)

a) Define the following terms:

    i.   Land value   (4 marks)

    ii.   Bid rent functions   (4 marks)

    iii.   Land use zoning   (4 marks)

b) Graph bid rent functions for manufacturing, residential and for farming   (3 marks)

c) How do the functions in (b) change when local government provides increased public services to the outskirts of the city?   (5 marks)