



MACHAKOS UNIVERSITY

University Examinations for 2022/2023 Academic Year

SCHOOL OF BUSINESS, ECONOMICS AND HOSPITALITY AND TOURISM

MANAGEMENT

DEPARTMENT OF ECONOMICS

.....YEAR FIRST SEMESTER EXAMINATION FOR

MASTER OF ECONOMICS

EAE 809: LABOUR MANPOWER ECONOMICS

DATE:

TIME:

INSTRUCTIONS: Answer Question ONE and any other Two questions

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Using a well labelled diagram, explain the wage and employment determination under monopsony market (10 marks)
- b) Explain three conditions necessary for the compensating wage differentials to be able to reflect the market value of non-wage characteristics (10 marks)
- c) Explain four (4) circumstances when the Hicks-Marshall laws of derived demand on own-wage elasticity of labour demand will be relatively high. (10 marks)

QUESTION TWO (20 MARKS)

- a) Write short notes on the following as used in labour economics (10 marks)
 - i. Nominal wages
 - ii. Real wages
 - iii. Marginal product of labour
 - iv. Demand for labour
 - v. Long run and short run periods in production
- b) Name and explain five reasons for the increased female labour force participation (10 marks)

QUESTION THREE (20 MARKS)

- a) Which relevant literature highlights the role of higher education and workplace in the development of skills (and specifically in their interaction)? (10 marks)
- b) How useful is the neoclassical model of the labor market for optimal taxation? (10 marks)

QUESTION FOUR (20 MARKS)

- a) Can the development of robotization and computerization cause a significant rise in unemployment in the future? (10 marks)
- b) What are the macroeconomic or labor economic theoretical frameworks, in which the relationship between education and unemployment can be analyzed? (10 marks)

QUESTION FIVE (20 MARKS)

- a) Is discouraged labor as harmful as unemployment itself to the macro economy? (10 marks)
- b) Will technological development, self-malting and robotization, IT, artificial intelligence, machine learning increase unemployment in the future? (10 marks)