

2912/201
TOURISM ECONOMICS
November 2022
Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN TOURISM MANAGEMENT

MODULE II

TOURISM ECONOMICS

3 hours

INSTRUCTIONS TO CANDIDATES

*This paper consists of SEVEN questions.
Answer any FIVE questions in the answer booklet provided.
All questions carry equal marks.
Candidates should answer the questions in English.*

This paper consists of 2 printed pages.

Candidates should check the question paper to ascertain that both pages are printed as indicated and that no questions are missing.

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Turn over

1. (a) Explain five economic characteristics of tourism products. (10 marks)
(b) The demand for hotel facilities in Kenya has been increasing in the recent past. Explain five factors that may have contributed to such a trend. (10 marks)
2. (a) Explain five factor that may influence the elasticity of supply of tourism products in a country. (10 marks)
(b) Mark, an investor, intends to set up a tourist resort in Kenya. Explain five factors that he may consider in selecting the location of such a facility. (10 marks)
3. (a) The prices of tourism products in country X have been on the increase in the recent past. Explain five monetary measures that the government may take to reduce the prices. (10 marks)
(b) Explain five ways in which tourism facilities may contribute to economic development of a country. (10 marks)
4. (a) Explain five roles that investment banks play to enhance the growth of tourism industry in a country. (10 marks)
(b) The revenues of Treto Hotels have been declining over a significant period of time. Explain five measures that the management may take to reverse the trend. (10 marks)
5. (a) Explain five ways in which the law of equi- marginal utility may be of importance to the tourism sector. (10 marks)
(b) Explain five strategies that may be adopted by the private sector in pricing of tourism products in Kenya. (10 marks)
6. (a) Explain five economic factors that may influence consumer behaviour in the tourism industry. (10 marks)
(b) Explain five types of loans that commercial banks may offer to investors in the tourism sector. (10 marks)
7. (a) Describe five forms of money that may be used to make transactions in the tourism industry. (10 marks)
(b) Explain five negative effects of tourism activities on an economy. (10 marks)

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