Great Zimbabwe University

HEBERT CHITEPO SCHOOL OF LAW AND BUSINESS SCIENCES

DEPARTMENT OF ECONOMICS & FINANCE

BACHELOR OF COMMERCE DEGREE

LEVEL 1 SEMESTER 1

EXAMINATION QUESTION PAPER

MODULE CODE	**HHT113**
MODULE NARRATION	**TOURISM AND HOSPITALITY ECONOMICS**
DATE	**2024**
DURATION	**3 HOURS**

INSTRUCTIONS TO CANDIDATES:

1. Answer any four questions

2. All questions carry equal marks

3. Start each answer on a fresh page

4. Show all workings where applicable

QUESTION 1

a) Explain with the help of a production possibility curve diagram(s) how a decision to re-allocate resources in an economy to produce more capital goods and fewer consumer goods would affect consumers in both the short run and the long run.

[10 marks]

b) Discuss whether the transition from a planned economy to a market economy will always benefit consumers [15 marks]

[Total 25 marks]

QUESTION 2

A government's decision to move from a fixed exchange rate to a free market floating exchange rate will solve the problem of unemployment in the short run but will cause higher rates of inflation in the long run.

Evaluate this statement.

[Total 25 marks]

QUESTION 3

(a) State any five importance of national income accounts. [5 marks]

(b) Explain any five limitations of using national income as a measure of welfare.

[20 marks]

[Total 25 marks]

QUESTION 4

Discuss the ways in which fiscal policy and monetary policy can be used to increase the aggregate supply of products in an economy and analyze whether each approach is likely to be effective.

[Total 25 marks]

QUESTION 5

(a) Distinguish between structural and frictional unemployment. Consider which would be likely to have the greater negative effect on an economy. [12 marks]

(b) Assess the view that supply-side policies are the most effective way to solve the problem of structural unemployment. [13 marks]

[Total 25 marks]