



MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ECONOMICS

THIRD YEAR SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF COMMERCE (FINANCE)

EAE 305: URBAN ECONOMICS

DATE:

TIME:

INSTRUCTIONS:

- (i) Answer question one (Compulsory) and any other two questions
- (ii) Do not write on the question paper
- (iii) Show your working clearly
- (iv) Written material or electronic gadgets including mobile phones are not allowed in exam room.

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Discuss how the following influence the development of cities in terms of number size and scope:
 - i) Market forces.
 - ii) Spatial distribution of poverty and housing. (10 marks)
- b) Outline the benefits and costs emanating from urban growth in cities of developing countries. (10 marks)
- c) Explain the economic consequences of high rate of rural migration on urban economies. (10 marks)

QUESTION TWO (20 MARKS)

- a) Elaborate on the primary and secondary sources of county governments' finances. (8 marks)
- b) Explain three policy measures county governments may use to decrease production costs and make their urban areas more attractive. (6 marks)

- c) County governments may use taxes to reduce pollution in urban centers. Explain with the aid of an illustration how they can implement this. (6 marks)

QUESTION THREE (20 MARKS)

- a) Discuss the different methods of road pricing. (12 marks)
- b) Explain four land zoning policies applied in urban areas. (8 marks)

QUESTION FOUR(20 MARKS)

- a) Explain five factors that cause sub-urbanisation. (10 marks)
- b) Elaborate on five alternative sources of urban finance. (10 marks)

QUESTION FIVE (20 MARKS)

Write explanatory notes on the following concepts:

- a) Central Place theory. (5 marks)
- b) Bid rent function. (5 marks)
- c) Urban service boundary. (5 marks)
- d) Fiscal zoning. (5 marks)