



**THE KENYA POLYTECHNIC UNIVERSITY**  
**COLLEGE**

**DEPARTMENT OF INSTITUTIONAL MANAGEMENT**  
HIGHER DIPLOMA IN CATERING & ACCOMMODATION  
MANAGEMENT  
END OF YEAR I EXAMINATIONS  
NOVEMBER 2007 SERIES

**ECONOMICS, MANAGEMENT & LAW**

TIME: 3 HOURS

Instructions to candidates

This paper consists three sections:

- SECTION A: ECONOMICS,  
SECTION B: MANAGEMENT and  
SECTION C: LAW

Answer **ALL** questions in this paper

This paper consists of 2 printed pages

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**SECTION A: ECONOMICS**

1. Explain the different types of demand and supply. (15 marks)
2. Differentiate between movements and shifts along the demand curve. (10 marks)
3. Using illustrations show five different aspects of price elasticity of demand. (10 marks)
4. Explain any five ways through which unemployment can be reduced in Kenya. (10 marks)
5.
  - (a) Define inflation (2 marks)
  - (b) Explain the causes of inflation (8 marks)
  - (c)
    - (i) Differentiate between inflation and Deflation (2 marks)
    - (ii) Explain four causes of inflation (8 marks)

**SECTION B: MANAGEMENT**

6. "If you fail to plan, you are planning to fail." This is the kind of importance attached to planning. However the process of planning is not without limitations. Explain any FIVE limitations and suggest ways of overcoming them. (10 marks)
7. Organizations are a product of the environment. Describe the external environment facing organizations in Kenya. (10 marks)
8. Explain **FIVE** principles of organization. (10 marks)
9. Describe any FIVE characteristics of planning. (10 marks)

**SECTION C: LAW**

10.
  - (a) Name four sources of law in Kenya
  - (b) For each of the sources of the law identified in a) above, analyse two advantages and two disadvantages. (20 marks)

11. (a) With the aid of a diagram, describe the structure of the courts in Kenya (10 Marks)
- (b) In relation to Hotels and Restaurant Act Cap 494, outline the duties of hotel Keepers. (10 marks)
12. (a) In relation to the law of employment, outline the circumstances that may lead to summary dismissal of employees. (10 marks)
- (b) Explain FIVE advantages of delegated legislation (10 marks)