



# MERU UNIVERSITY OF SCIENCE AND TECHNOLOGY

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## University Examinations 2022/2023

FIRST YEAR SECOND SEMESTER EXAMINATION FOR POST GRADUATE DIPLOMA  
IN EDUCATION

FIRST YEAR FIRST POST GRADUATE DIPLOMA IN EDUCATION

### EMG 4152: EDUCATIONAL ECONOMICS

DATE: APRIL 2023

TIME: 2 HOURS

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INSTRUCTIONS: Answer question *one* and any other *two* questions

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#### QUESTION ONE (24 MARKS)

- a) Using relevant examples explain the following terms as applied in economics of education
- i. Opportunity costs (2 marks)
  - ii. Educated unemployment (2 marks)
  - iii. External efficiency (2 marks)
- b) Discuss factors that influence the demand for education in Kenya (6 marks)
- c) Education is a crucial ingredient in the development of skilled labour force necessary for economic prosperity. Explain sources of human capital difference (6 marks)
- d) Discuss methods of financing education in developing countries and indeed Kenya (6 marks)

**QUESTION TWO (12 MARKS)**

- a) Explain the meaning of the following concepts
  - i. Education as an investment commodity (3 marks)
  - ii. Education as a consumption commodity (3 marks)
- b) Discuss the causes of unemployment of the educated people in Kenya (6 marks)

**QUESTION THREE (12 MARKS)**

- a) Discuss the criticism against human capital theory (4 marks)
- b) Increasing demand for higher education is a very big economic issue in the development world. Discuss the issues associated with this increase, citing strategies to manage the demand (8 marks)

**QUESTION FOUR (12 MARKS)**

- a) Education acts as a mechanism through which socio-economic growth and development of a nation is enhanced. Discuss this statement citing examples drawn from Kenya (6 marks)
- b) A budget is a statement of anticipated revenue and the proposed expenditure of an institution over a period of time. Evaluate the relevance of a school budget (6 marks)

**QUESTION FIVE (12 MARKS)**

- a) Education is not equitably accessed in Kenya. Discuss the causes of the inequality in access to educational opportunity in Kenya (6 marks)
- b) Discuss the factors that affect internal efficiency of an education institution (6 marks)