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FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF ECONOMICS

2007/2008 HARMATTAN SEMESTER EXAMINATION

Course Code & Title: ECO 309-INDUSTRIAL ECONOMICS

Instructions: Attempt Question 1^{and} any two other questions. Note that answers written in good English would attract credits.

Time Allowed: 2 hours

1. (a) Discuss the modern method of measuring the productivity of labour.
(b) What factors determine the productivity of labour?
2. (a) What are the possible motives of a firm which decides to expand its activities by (i) horizontal integration and another by (ii) vertical integration.
(b) Distinguish between a firm and an industry and discuss the advantages and disadvantages of large firms.
3. (a) What do you understand by the term 'efficiency'. Illustrate with its various concepts.
(b) Discuss the ways of measuring efficiency in production.
4. (a) Highlight the general determinants to be considered by an entrepreneur in locating his industry in order to maximise profit.
(b) Illustrate your answers in (a) with any of the following theories of industrial location
 - (i) Weber's Theory
 - (ii) The market area of Tord Palander
 - (iii) Central Place Theory.
5. (a) What are the general situations for pricing decisions in an enterprise?
(b) Discuss any of the following pricing techniques and state the shortcomings of the technique you choose;
 - (i) Cost Plus or Mark-up pricing
 - (ii) Variable or Incremental Cost pricing
 - (iii) The target rate of return pricing