

**BINDURA UNIVERSITY OF SCIENCE EDUCATION**  
**FACULTY OF COMMERCE**  
**DEPARTMENT OF ECONOMICS**  
**BACHELOR OF SCIENCE HONOURS DEGREE IN ECONOMICS**  
**HCM 205 / LABOUR ECONOMICS: EC 201 (3)**  
**DURATION: 3 HOURS**

MAR 2023

**INSTRUCTIONS TO CANDIDATES**

1. Answer any four (4) questions.
  2. The paper carries six (6) questions.
  3. All questions carry equal marks of 25 each.
  4. No cellphones allowed in the exam room.
- 

**Question 1**

Using the efficiency wage hypothesis, discuss the statement that, "Under certain circumstances a wage increase could lead to an increase in productivity". **[25 Marks]**

**Question 2**

- a. Labour unions are constrained in carry out their mandates in Zimbabwe. Discuss **[16 Marks]**
- b. Discuss any **Three (3)** barriers to labour migration in Zimbabwe **[9 Marks]**

**Question 3**

Discuss the arguments for and against the application of minimum wage in Zimbabwe **[25 Marks]**

**Question 4**

- a. Discuss any **Four (4)** factors influencing productivity **[16 Marks]**
- b. With reference to Zimbabwe, explain the major socioeconomic cost of labour emigration in an economy **[9 Marks]**

**Question 5**

- a. To what extent does the theory of compensating wage differentials explain the observable wage differentials in Zimbabwe **[13 Marks]**
- b. With the aid of a well labelled diagram, explain how an individual allocates his time between market and non-market activities **[12 Marks]**

**Question 6**

Using relevant examples, explain any **Three (3)** types of unemployment prevalent in Zimbabwe and suggest strategies to reduce it. **[25 Marks]**

**END OF PAPER**