

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR  
OF SCIENCE IN AGRICULTURAL ECONOMICS

AGEC 315: AGRICULTURAL ECONOMICS I

STREAMS: BSC (AGEC)

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 11/12/2019

11.30 A.M. – 1.30 P.M.

INSTRUCTIONS:

- Answer ALL questions in section A any other THREE in section B
- Do not write on the question paper

SECTION A: ALL QUESTIONS ARE COMPULSORY

1. (a) Explain the following terms:
  - (i) Markets and international trade [2 marks]
  - (ii) Regulated and unregulated markets [2 marks]
  - (iii) Marketed and marketable surplus [2 marks]
  - (iv) Place utility and Time utility [2 marks]
  - (v) Commodity market and capital markets [2 marks]
- (b) Explain six classification of market [10 marks]
- (c) Discuss clearly how state trading takes place in a country and show different types of state trading [5 marks]

marks]

SECTION B: ANSWER ANY THREE QUESTIONS

QUESTION TWO

- (a) Explain how price are characterized and the need for price policy [6 marks]

**AGEC 315**

- (b) With regards to agricultural project discuss their effects on a country's economy [6 marks]

- (c) Explain three objectives of agricultural projects. [3 marks]

**QUESTION THREE**

- (a) Food market institutions are formed with specific set objectives. Discuss different types of institutions. [7 marks]
- (b) State four objectives of state trading [4 marks]
- (c) Explain four roles of government in agriculture [4 marks]

**QUESTION FOUR**

- (a) A higher percentage of rural population are engaged in agriculture as business. How do their activity contribute to development of rural areas? [7 marks]
- (b) Different countries engage in international trade for different economic reasons. Explain four major importance to agricultural products. [4 marks]
- (c) Explain the difference between foreign trade and domestic trade [4 marks]

**QUESTION FIVE**

- (a) Explain why the government would intervene on agricultural food production [8 marks]
- (b) List two types of surplus that farmers have and show their relationship [5 marks]
- (c) Differentiate between free trade and protectionist [2 marks]
-