

**CHUKA**



**UNIVERSITY**

**UNIVERSITY EXAMINATIONS  
THARAKA**

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF MASTER OF  
SCIENCE IN ECONOMICS**

**MSEC 842: AGRICULTURAL ECONOMICS**

**STREAMS:**

**TIME: 3 HOURS**

**DAY/DATE: WEDNESDAY 4/12/2019**

**2.30 P.M – 5.30 P.M**

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**INSTRUCTIONS**

**Answer question one and any other two**

**QUESTION ONE**

1. Describe the relevance, scope and role of agricultural economics to a country. [10 marks]
2. Explain the major role of institutions in economic development. [10 marks]
3. What contributes to the success and failure of agricultural policies in least developed countries. [10 marks]

**QUESTION TWO**

- (a) Describe the market imperfections and asymmetric information in agricultural health markets. [7 marks]
- (b) Explain giving examples the short comings of the transaction costs. [6 marks]
- (c) What are the foundations of neoclassical economics according to agricultural economists. [7 marks]

**QUESTION THREE**

- (i) What are the four functions of formal and informal agricultural institutions. [4 marks]

- (ii) Explain the major property rights. [4 marks]
- (iii) How is sociology related to agricultural economics. [4 marks]
- (iv) The general problems of small scale agriculture, substantial numbers of poor farmers in Africa face problems that are unique to their characteristics. Discuss these problems. [8 marks]

**QUESTION FOUR**

- (a) Explain in details the role of women in agriculture. [5 marks]
  - (b) Assume you are an agricultural economists in your country. Suggest the major policies that you would front based on the known challenges facing scale farmers in your country. [7 marks]
  - (c) Discuss the major factors affecting coordination of agricultural institutions in Kenya. [6 marks]
  - (d) Define the term transformation cost. [2 marks]
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