

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

FOURTH YEAR EXAMINATION FOR THE AWARD OF DEGREE
OF BACHELOR OF ECONOMICS

ECON 352: AGRICULTURAL DEVELOPMENT POLICY

STREAMS: ECON(Y4S1)

TIME: 2 HOURS

DAY/DATE: TUESDAY 05/12/2017

8.30 A.M. – 10.30 A.M.

INSTRUCTIONS:

QUESTION ONE IS COMPULSORY (SECTION A), ANSWER ANY OTHER TWO FROM SECTION B

QUESTION ONE

- (a) Define the following:
- (i) Input elasticity of yield [2 marks]
 - (ii) Price elasticity of variable input [2 marks]
- (b) From independence in 1963 to the oil crisis in 1973, the agricultural sector expanded by undergoing two basic changes. Explain [6 marks]
- (c) Since independence, as part of a land consolidation and resettlement policy, the Kenya government, with financial aid from the United Kingdom, transferred large areas of agricultural land to African ownership. Explain the effects of such a policy. [10 marks]
- (d) The inability of private markets to deliver all ingredients of development taken together with nonworking or imperfection of many markets provide a well-known set of market failures that the state was considered necessary to overcome. Discuss [10 marks]

QUESTION TWO

- (a) Fluctuations in climatic conditions and in world prices of commodities strongly affect export earnings. Explain the effect of climate on the economy of a developing country. [10 marks]

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- (b) Kenya's population is growing by approximately one million people per year. Combined with stagnant agricultural productivity and limited arable land, this demographic growth poses critical challenges to food security. How can the above challenge be addressed.

[10 marks]

QUESTION THREE

- (a) Define land reform policy. [2 marks]
- (b) Discuss the major objectives of agricultural policy. [10 marks]
- (c) Historically many reforms have attempted to change social relationships of property ownership wealth and social status and political power. Discuss the essential attributes of land. [8 marks]

QUESTION FOUR

- (a) You have been appointed agribusiness consultant to help TharakaNithi County government to develop a policy for the dairy sector. Discuss the process you would follow to come up with a successful policy. [8 marks]
- (b) Most agricultural policies in most countries are oblivious to gender. Discuss the extent to which women gain from a change in agriculture technology. [8 marks]
- (c) Discuss the importance of agriculture cooperatives in Kenya. [4 marks]
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