

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

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

AGEC 434: AGRICULTURE AND INTERNATIONAL TRADE

STREAMS: AGECE (Y4S2) (ODEL)

TIME: 2 HOURS

DAY/DATE: MONDAY 14/04/2025

2.30 P.M. – 4.30 P.M.

INSTRUCTIONS

- Answer all questions in section A and any three in section B
- Answer each question on separate pages

Section A

Question One

- Discuss four ways through which mercantilism theory was applied in agriculture. (8 marks)
- Explain five importance of agricultural export in developing countries. (10 marks)
- Explain seven trade theories applicable in the agricultural international trade. (7 marks)

Section B

Question Two

- Discuss five goals of African Continent Free Trade Area (AfCFTA). (5 marks)
- Explain five linkages between production in the Kenyan economy. (10 marks)

Question Three

- Explain five challenges of preferential trade area (PTA) and East African Economic Community (EAEC). (5 marks)

- b) Elaborate five factors that causes Balance of Payment (BoP) disequilibrium in Kenya. (10 marks)

Question Four

- a) Country A can produce 10 units of cloth or 5 units of wine with the same resources. On the other hand, Country B can produce 6 units of cloth or 6 units of wine with the same resources. Discuss the concept of comparative advantage stating which can produce cloth and wine at lower opportunity cost. (5 marks)
- b) Discuss five emerging issues in agricultural international trade. (10 marks)

Question Five

- a) Explain five objectives of regional integration in Africa. (10 marks)
 - b) Discuss five challenges facing Kenya's agricultural exports. (5 marks)
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