

CHUKA



UNIVERSITY

**UNIVERSITY EXAMINATIONS**

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF SCIENCE IN  
HORTICULTURE**

**AGEC 315: AGRICULTURAL ECONOMICS 1**

**STREAMS: BSC HORT**

**TIME: 2 HOURS**

**DAY/DATE: WEDNESDAY 18/12/2024**

**8.30 A.M – 10.30 A.M**

**INSTRUCTIONS:**

**Section A: All questions are Compulsory (25 Marks)**

- a) Discuss four factors determining price elasticity of demand (8 Marks)
- b) Explain the four types of utility (8 Marks)
- c) With the help of a diagram discuss movement along the supply curve (5 Marks)
- d) List four properties of indifference curves (4 Marks)

**Section B: Answer Any Three Questions (45 Marks)**

**Question Two (15 Marks)**

- a) Using a diagram explain how the equilibrium price is arrived at for agricultural commodities. (8 Marks)
- b) Discuss four ways which exporters of agricultural products can expand and develop new export markets (7 Marks)

**Question Three (15 Marks)**

- a) List four scopes of agricultural economics (4 Marks)
- b) Discuss three marketing costs. (6 Marks)
- c) Define elasticity of demand, International trade and domestic trade (3 Marks)

- d) List two importance of international trade (2 Marks)

**Question Four (15 Marks)**

- a) Discuss five Factors affecting changes in supply (10 Marks)  
b) List five characteristics of agricultural production (5 Marks)

**Question Five (15 Marks)**

- a) When evaluating pricing efficiency in marketing several factors must be considered. Discuss three of these factors (6 Marks)  
b) Discuss five importance of elasticity of demand (9 Marks)
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