

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

RESITS/SPECIAL EXAMINATIONS

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

AGEC 111: INTRODUCTION TO AGRICULTURAL ECONOMICS

STREAMS:

TIME: 2 HOURS

DAY/DATE: MONDAY 28/8/2023

8.30 A.M. – 10.30 A.M.

INSTRUCTIONS: Answer all questions in SECTION A one and any three in SECTION B.

: Do not write on the question paper

Section A: All questions are **Compulsory**

1. a) Discuss the following briefly.
 - i. Agricultural Economics and Agriculture (2 Marks)
 - ii. Markets and International trade (2 Marks)
 - iii. Comparative advantage and Balance of trade (3 Marks)
 - iv. Risk, Uncertainty and Utility (3 Marks)
- b) Using a well labelled diagram discuss different stages of production and highlight the optimal stage of production (10 Marks)
- c) Explain five characteristics of utility (5 Marks)

Section B: Answer Any Three Questions

Question Two

- a) Discuss why developing countries should move away from agriculture and invest in technology. (15 Marks)

Question Three

- a) A government implements agriculture-related policy objectives through state trading, explain its four objectives (8 Marks)
- b) Food market institutions are formed with specific set objectives. Discuss different types of institutions. (7 Marks)

Question Four

- a) Discuss five differences between foreign trade and domestic trade (10 Marks).
- b) Discuss three degree of elasticity of demand. (5 Marks)

Question Five

- a) Discuss three economic benefits that come from a growing and productive agricultural sector (9 Marks)
- b) Explain the interdependence between industry and agriculture (6 marks)

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