



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2016/2017

**FIRST YEAR SECOND SEMESTER EXAMINATION FOR THE
DEGREE OF BACHELOR OF AGRICULTURAL ECONOMICS,
BACHELOR OF AGRIBUSINESS MANAGEMENT WITH
INFORMATION TECHNOLOGY**

MAIN CAMPUS

AAB 103: AGRICULTURAL POLICY

Date: 13th June, 2017

Time: 3.30 - 6.30pm

INSTRUCTIONS:

- Answer ALL QUESTIONS.



Question 1

(20 marks)

- a) Why is it important to analyse government policies? (4 marks)
- b) Explain the process of policy formulation, bearing in mind the four components of a policy framework. (8 marks)
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- c) Policy makers might aim at non-efficiency objectives even though they result in high opportunity costs for the economy. Which reasons would justify pursuance of non-efficiency objectives (8 marks)

Question 2

(20 marks)

- a) Policy analysis matrix is a framework that relies on two accounting identities. Which ones are they? How are the identities utilized in filling the elements of the PAM? (5 marks)
- b) Differentiate between private profits and social profits. (6 marks)
- c) The PAM approach can be used to provide information on which three principle issues of relevance in agricultural policy? Explain (9 marks)

Question 3

(10 marks)

- a) What is land tenure? (2 marks)
- b) How is land classified in Kenya? (6 marks)
- c) What is the difference between freehold tenure and leasehold tenure? (2 marks)

Question 4

(20 marks)

- a) Discuss the factors hindering smallholder farmers' access to agricultural financial services? (10 marks)
- b) Which recent policy strategies have been implemented to improve agriculture and rural development in Kenya? Briefly explain (10 marks)
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