

**UNIVERSITY OF KABIANGA**

**UNIVERSITY EXAMINATIONS**

**2016/2017 ACADEMIC YEAR**

**THIRD YEAR FIRST SEMESTER EXAMINATIONS**

**FOR THE DEGREE OF BACHELOR OF SCIENCE IN AGRICULTURAL ECONOMICS AND RESOURCE MANAGEMENT**

**COURSE CODE: ARE 361**

**COURSE TITLE: AGRICULTURAL PRICE ANALYSIS**

**TIME: 3 HOURS**

**INSTRUCTIONS TO CANDIDATES:**

Answer any FIVE Questions

**Question One**

1. Explain the meaning of price analysis. (2 marks)
2. Discuss how evaluation of bid price in price analysis is done. (8 marks)
3. The problem on agricultural price analysis arises from factors that lead to the determination of unfair and reasonable prices for the agricultural products. Discuss this statement. (10 marks)

**Question Two**

Discuss the problems in transportation of agricultural commodities and their effects on prices. (20 marks)

**Question Three**

1. Explain the relationship between market surplus and marketable surplus. (10 marks)
2. Explain the importance of studying marketing margins. (10 marks)

**Question Four**

Discuss the reasons which have contributed to the recent price fluctuation in developing countries. (20 marks)

**Question Five**

Discuss the macro economic impact of agricultural price changes in Kenya. (20 marks)

**Question Six**

1. Discuss the reasons for higher marketing cost of agricultural products. (15 marks)
2. Comment on how to reduce the marketing cost. (5 marks)