



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2016/2017

**SECOND YEAR SECOND SEMESTER EXAMINATION FOR THE
DEGREE OF BACHELOR OF ARTS IN ECONOMICS,
BACHELOR OF SCIENCE IN MATHEMATICS & ECONOMICS,
AND BACHELOR OF SCIENCE IN AGRIBUSINESS WITH
INFORMATION TECHNOLOGY**

MAIN CAMPUS

AEC 204: AGRICULTURAL ECONOMICS

Date: 20th June, 2017

Time: 12.00 - 6.00pm

INSTRUCTIONS:

- Answer Question ONE and any other THREE
- Question one carries 25 marks and the rest carry 15 marks each

QUESTION ONE

- a) Traditionally agricultural sector is believed to be the backbone of Kenya's economy. Discuss (10 marks)
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- b) Explain how agricultural producers may attain their physical and economic optimum levels using production factors and their products (15 marks)

QUESTION TWO

Identify and explain methods used by marketing boards to stabilize agricultural market prices as well as agricultural producer's income (15 marks)

QUESTION THREE

Examine agricultural market conditions under which a cob-web cycle may result into convergent or divergent market conditions (15 marks).

QUESTION FOUR

Discuss the causes, consequences and possible solutions to food insecurity in Kenya (15 marks).

QUESTION FIVE

Discuss the role and problems facing international commodity schemes on development of agriculture for international markets (15 marks).

QUESTION SIX

Identify and discuss the three typical farm management decisions necessary to undertake farming as a business (15 marks)
