(University of Choice)

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MMUST)

MAIN CAMPUS

UNIVERSITY EXAMINATIONS
2021/2022 ACADEMIC YEAR

THIRD YEAR SECOND SEMESTER EXAMINATIONS
FOR THE DEGREE
OF AGRICULTURAL ECONOMICS AND AGRIBUSINESS MANAGEMENT

COURSE CODE: AEC 321
COURSE TITLE: AGRICULTURAL ECONOMICS AND RESOURCE MANAGEMENT.

DATE: 21/04/2022   TIME: 12-2 PM

INSTRUCTION TO CANDIDATES
Question ONE (1) is compulsory (30 MARKS)
Answer Two (2) questions (@ 20 MARKS)

TIME: 2 hours

MMUST observes ZERO tolerance to examination cheating

This paper consists of 3 printed pages. Please Turn Over

QUESTION ONE

a) **DISCUSS** the following five mega factors influencing agricultural policy in general and financial decisions in agriculture.

    i) Environmental issues   [3 marks]

    ii) Monetary policy   [3 marks]

    iii) Fiscal policy   [3 marks]

    iv) International trade agreements   [3 marks]

    v) Resource scarcity   [3 marks]

b) **DISCUSS** the economic management of the following

        i. Forestry Resource   [5marks]

        ii. Land Resource   [5 marks]

c) **LIST** three common trade barriers   [3 marks]

d) **DIFFERENTIATE** between demand and supply of agricultural products   [2 marks]

QUESTION TWO

a) **DIFFERENTIATE** between normative and positive economics   [2 marks]

b) **EXPLAIN** six classification of market   [12 marks]

c) A higher percentage of rural population are engaged in agriculture as business. How do their activity **CONTRIBUTE** to development of rural areas?   [6 marks]

QUESTION THREE

a) **DEFINE** the concept scarcity and explain why its foundation of economics [4 marks]

b) **EXPLAIN THREE** reasons why the government would intervene on agricultural food production [8 marks]

c) **DIFFERENTIATE** between free trade and protectionist [8 marks]

QUESTION FOUR

a) **EXPLAIN** why the government would intervene on agricultural food production [8 marks]

b) **EXPLAIN** four roles of government in agriculture [8 marks]

c) **EXPLAIN** how price are characterized and the need for price policy [4 marks]