

Please turn over

SECTION A (40 MARKS)

- Q1 (a) what is agricultural policy? (2 marks)
(b) What is the difference between consumer and producer surplus? (4 marks)
(c) List and briefly describe any six agricultural policy problems in developing countries such as Kenya? (6 marks)
(d) List the three arms of government and briefly state their roles (3 marks)
- Q2 (a) Why do governments develop agricultural policies? (5 marks)
(b) What are Kenya's agricultural development objectives that it seeks to achieve through various policy tool. (10 marks)
- Q3 State and briefly describe the Sessional Paper No.10 of 1965 on African Socialism & its Application to Planning in Kenya (4 marks)
- Q4 What was the approach of the Sessional Paper No.10 of 1965 to Kenya's development? (6 marks)

SECTION B (30 MARKS)

- Q3 a) List and briefly explain any four policy options that a government faced with diverse objectives and constrained by various factors may opt for? (8 marks)
b) State the first two United Nations sustainable development' goals and describe their relevance to Kenya's agricultural development (8 marks)
c) Briefly explain the conflict between full employment and stability (4 marks)
- Q4 Use sketch diagrams to demonstrate the following:
- i) Producer and consumer surplus (8 marks)
 - (a) The impact of price ceilings on, the both producer and consumer surplus. (4 marks)
 - (b) The effect of imports on both consumer and producer surplus (4 marks)
 - (c) The impact of a tax on-both consumer and producer surplus (4 marks)
- 6 (a) Define the long-term structural changes in agriculture that accompany successful economic development. (2 marks)
b) As societies develop and earn higher incomes' per capita, what 'happens to the share of Income and employment in each of the three major sectors (agriculture, industry and services)? (6 marks)
c) Looking within agriculture, as societies develop, in what ways does farming itself become "Industrialized"? In what ways do (or don't) farms become like factories? (8 marks)
d) State and briefly describe the long-term structural changes in agriculture that successful (4 marks)