



MURANG'A UNIVERSITY OF TECHNOLOGY
SCHOOL OF AGRICULTURE AND ENVIRONMENTAL
SCIENCE

DEPARTMENT OF AGRICULTURAL SCIENCE

UNIVERSITY POSTGRADUATE EXAMINATION

2023/2024 ACADEMIC YEAR

FIRST YEAR SECOND SEMESTER EXAMINATION FOR MASTER OF
SCIENCE IN AGRICULTURAL ECONOMICS

GAE 608 / AEC 608 -AGRICULTURAL MARKETING AND

INTERNATIONAL TRADE

DURATION: 3 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Answer Any Four questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

QUESTION ONE (25 MARKS)

- a. Differentiate between the price elasticity of demand and supply providing examples in the agricultural sector. (5 marks)
- b. Agricultural markets in Kenya mainly rely on conventional marketing channels, describe four emerging modern ways of marketing agricultural produce and product, using relevant examples. (8 marks)
- c. Describe the three components of agricultural market system. Using relevant examples and an illustration. (6 marks)
- d. Describe three trade policy instruments that could expand international agricultural market of Kenya produce. (6 marks)

QUESTION TWO (25 MARKS)

- a. With illustrations and examples describe five causes of changes in agricultural commodity prices overtime. (10 marks)
- b. Describe the cobweb theory and its application in agricultural price fluctuations, provide an example and illustrate. (15 marks)

QUESTION THREE (25 MARKS)

- a. Describe five ways in which government intervene in the development of agricultural market. (10 marks)
- b. Regional integration in Africa promotes trade and cohesion between and among member state however challenges emerge in the kind of integration. Referring to the East Africa Community (EAC) and relevant examples evaluate;
 - i. The technical barriers to trade and how member could address these barriers. (10 marks)
 - ii. The opportunities presented by regional integration. (5 marks)

QUESTION FOUR (25 MARKS)

- a. Describe the S-C-P paradigm and how it is applied to measure the performance of agricultural industries, provide an example. (15 marks)
- b. It is a priority of any government to ensure a harmonious balance of payments. Describe four ways in which the Kenya government could foster its weakening balance of payment with examples. (10 marks)