



# MURANG'A UNIVERSITY OF TECHNOLOGY

## SCHOOL OF BUSINESS AND ECONOMICS

### DEPARTMENT COMMERCE

UNIVERSITY ORDINARY EXAMINATION

2017/2018 ACADEMIC YEAR

**SECOND YEAR SECOND SEMESTER EXAMINATION FOR  
BACHELOR OF INFORMATION TECHNOLOGY**

**BCE 314 – AGRICULTURAL ECONOMICS**

**DURATION: 2 HOURS**

**DATE: 23<sup>RD</sup> APRIL, 2018**

**TIME: 9.00 - 11.00 A.M.**

#### **Instructions to Candidates:**

1. Answer **Question 1** and **Any Other Two** questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

## **SECTION A – ANSWER ALL QUESTIONS IN THIS SECTION**

### **QUESTION ONE**

- a) Discuss the three combinations that show the nature of relationships between a single output (9 marks)
- b) Define the following terms:
  - i. Agricultural Economics (2 marks)
  - ii. Agricultural production economics (2 marks)
  - iii. Farm management (2 marks)
- c) Write short notes on the following goods classifications:
  - i. Based on supply (3 marks)
  - ii. Based on durability (4 marks)
  - iii. Based on consumption (4 marks)
  - iv. Based on transferability (4 marks)

## **SECTION B – ANSWER ANY TWO QUESTIONS IN THIS SECTION**

### **QUESTION TWO**

- a) In the determination of optimum input and output there are three stages of production. Discuss each stage. (10 marks)
- b) Illustrate five differences between agricultural production economics and farm management (10 marks)

### **QUESTION THREE**

- a) Strategic decisions involve heavy investment and have long lasting effects in a farm. Explain five strategic management decisions (10 marks)
- b) Natural economic and to some extent social factors determine the type of farming in an area. Discuss five types of farming (10 marks)

### **QUESTION FOUR**

- a) Types of risks and uncertainties are classified in five categories. Describe each category (10 marks)
- b) A sound farm plan should be generally feasible, acceptable and adaptable. Explain the steps that should be adopted to make the farm plan and budgeting successful (10 marks)