



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

DEPARTMENT OF AGRICULTURE

UNIVERSITY ORDINARY EXAMINATION

2023/2024 ACADEMIC YEAR

THIRD YEAR SECOND SEMESTER EXAMINATION FOR BACHELOR
OF SCIENCE IN AGRICULTURE

BCE 314 – AGRICULTURAL ECONOMICS

DURATION: 2 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Answer question ONE 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 (30 MARKS)

- a) Explain the five roles of agriculture in economic development in Kenya. (5 marks)
- b) Differentiate between micro-economics and macro-economics. (5 marks)
- c) Using examples, differentiate between opportunity cost, scarcity and choice. (6 marks)
- d) Explain four functions of money. (4 marks)
- e) Discuss five characteristics of labour as a factor of production. (5 marks)
- f) Explain the macroeconomic models focusing on the role agriculture in economic development. (5 marks)

SECTION B – ANSWER ANY TWO QUESTIONS IN THIS SECTION

QUESTION TWO (20 MARKS)

Discuss the factors influencing the adoption of agricultural insurance as a mean for enhancing food resilience. (20 marks)

QUESTION THREE (20 MARKS)

- a) Explain international agreements for commodity price stabilization. (10 marks)
- b) Discuss how agriculture creates employment. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Explain the advantages of a mixed economic system. (10 marks)
- b) Explain five agricultural policies in Kenya relevant for Agricultural development. (10 marks)