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(Knowledge for Development)

KIBABII UNIVERSITY
UNIVERSITY EXAMINATIONS
2017/2018 ACADEMIC YEAR

FOURTH YEAR 2ND SEMESTER
MAIN EXAMINATION

**FOR THE DEGREE OF BACHELOR OF AGRICULTURE ECONOMICS
AND RESOURCE MANAGEMENT**

COURSE CODE: IAE 484

**COURSE TITLE: AGRICULTURAL TRADE AND
INTERNATIONAL ECONOMICS**

DATE: 31ST JULY 2018

TIME: 9 – 11 AM

INSTRUCTIONS TO CANDIDATES

Answer Question 1 and any other TWO questions.

TIME: 2 Hours

This paper consists of 2 printed pages. Please Turn Over



KIBU observes ZERO tolerance to examination cheating

Q1.a) Define the following terms:

- i) Comparative advantage (5 mks)
- ii) Tariff(5mks)
- iii) Quotas (2mks)
- iv) Import substitution (3mks)
- v) Absolute advantage (2mks)
- vi) International trade(2mks)
- vii) Preferential Trade Area (5mks)

viii) Free Trade Area(2mks)

b) Describe four advanced forms of PTAs (4mks)

Q2. Discuss the impact of foreign aid to growing economies?(20 mks)

Q3. Discuss the elements necessary to the holistic system-wide approach to promoting agricultural value chain development through trade?(20mks)

Q4. State and briefly explain any ten Non-tariff barriers that reduce the efficiency of Kenya trading with neighboring countries.(20mks)