



(Knowledge for Development)

KIBABII UNIVERSITY
UNIVERSITY EXAMINATIONS
2017/2018 ACADEMIC YEAR

FOURTH YEAR 2ND SEMESTER
SPECIAL/SUPPLEMENTARY EXAMINATION

FOR THE DEGREE OF BACHELOR OF AGRICULTURE ECONOMICS
AND RESOURCE MANAGEMENT

COURSE CODE: IAE 484
COURSE TITLE: AGRICULTURAL TRADE AND
INTERNATIONAL ECONOMICS

DATE: 11/10/2018 **TIME:** 3-5pm.

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) i). Highlight the difference between comparative advantage and absolute advantage (4mks)

ii). Define the terms below:

a) Export promotion (2mks)

b) Balance of trade (2mks)

c) Liberation (2mks)

iii) List the five policy focus areas of Global Harvest Initiative in strengthening Agricultural International trade. (5mks)

iv) Outline any five assumptions of principle of comparative advantage (5mks)

v) State the specific roles of the following institutions in agricultural trade

i) KEBS (2mks)

ii) NEMA (2mks)

iii) FAO (2mks)

iv) COMESA (2mks)

v) AGOA (2mks)

Q2) Discuss the role of standard organizations in Trade in Kenya. (20 mks)

Q3) a) Discuss the objectives of the import substitution economic policy (10 mks)

b) Discuss strategic measures that would be taken by the government of a growing economy to facilitate import substitution in Agriculture (10 mks)

Q4.) a) Explain the importance of agricultural exports to the economy of Kenya. (6 mks)

b) Discuss the impact of foreign aid to growing economies? (14 mks)