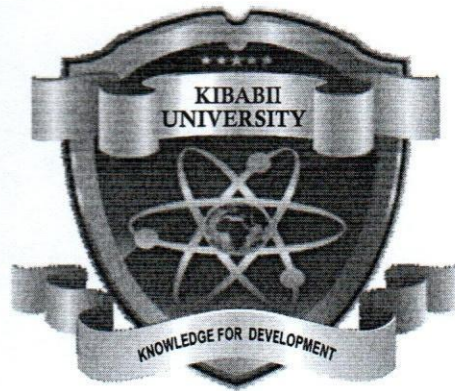


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(Knowledge for Development)

KIBABII UNIVERSITY
UNIVERSITY EXAMINATIONS
2020/2021 ACADEMIC YEAR

FIRST YEAR 1ST SEMESTER
MAIN EXAMINATIONS

**FOR THE DEGREE OF BACHELOR OF SCIENCE IN AGRICULTURAL
ECONOMICS & RESOURCE MANAGEMENT**

COURSE CODE: AEC 113
COURSE TITLE: INTRODUCTION TO AGRICULTURAL
ECONOMICS

DATE: 17/02/2021.

TIME: 2-4 PM.

INSTRUCTIONS TO CANDIDATES

Answer Question One and any other two (2) Questions.

TIME: 2 Hours

This paper consists of 2 printed pages. Please Turn Over



KIBU observes ZERO tolerance to examination cheating

Q1.

Write short notes on the following

- a) Demand and supply curves (4 marks)
- b) Motives for holding money. (6 marks)
- c) Role of national income statistics in Kenya. (6 marks)
- d) Characteristics of imperfect markets (6 marks)
- e) Diminishing marginal returns (4 marks)
- f) Average physical product and marginal physical product (4 marks)

Q2.

Explain the methods of computing national income account, taking precaution of the necessary adjustments in each case. (20 marks)

Q3.

Explain the strengths of a free market enterprise system (20 marks)

Q4.

- a) Discuss the main causes of un-employment in your county. (10 marks)
- b) Explain the causes of shifts in the supply of tomatoes in Busia County (10 marks)

Q5.

- a) Explain the basic economic problems of any production process (10 marks)
- b) Explain the characteristics of Kenyan agricultural production systems (10 marks)