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(Knowledge for Development)

KIBABII UNIVERSITY
UNIVERSITY EXAMINATIONS
2019/2020 ACADEMIC YEAR

THIRD YEAR 2ND SEMESTER
SPECIAL/SUPPLEMENTARY EXAMINATION

**FOR THE DEGREE OF BACHELOR OF SCIENCE AGRICULTURE
ECONOMICS AND RESOURCE MANAGEMENT & BACHELOR OF
AGRICULTURE AND BIOTECHNOLOGY**

COURSE CODE: IAE 380/387

COURSE TITLE: AGRICULTURAL MARKETING II

(APPLICATIONS)

DATE: 02/02/2021.

TIME: 8-10 AM.

INSTRUCTIONS TO CANDIDATES

Answer Question ONE and any other TWO Questions.

TIME: 2 Hours

This paper consists of 3 printed pages. Please Turn Over



KIBU observes ZERO tolerance to examination cheating

QUESTION ONE

- (i) Define the following terms as used in Agricultural Marketing:
(a) Market
(b) Income elasticity
(c) Firm
(d) Demand
(e) Opportunity cost (10marks)
- (ii) Giving examples, distinguish between Income elasticity and cross elasticity (6marks)
- (iii) Explain the role of price in influencing elasticity of supply in a free market economy (6marks)
- (iv) Differentiate between changes in quantity demanded from changes in demand (4marks)
- (v) Distinguish between Oligopoly and Duopoly market (4marks)

QUESTION TWO

- (i) (a) Highlight Five major objectives in the theory of the Firm (5marks)
(b) Clearly explain the distinction between a free market system and planned Economies (6marks)
- (ii) Explain by use of a curve the law of Demand (5marks)
- (iii) Briefly explain any Five determinants of supply of a good in the Market (4marks)

QUESTION THREE

- (a) Discuss determinants of price elasticity (10marks)
- (b) Mr. Wekesa demanded tomatoes of 250 crates at a price of Kes.750. As a result of transporting the produce, there was a fall in price to Kes.600. This situation resulted in a rise in demand to 430 crates.
- (i) What is the change in quantity demanded?
- (ii) Calculate the price elasticity of demand of the commodity. (10marks)

QUESTION FOUR

Discuss, giving examples, any Five major types of price discrimination
(20marks)

QUESTION FIVE

- (a) Briefly explain Five sources of monopoly (10marks)
- (b) Illustrate a perfect competitive market in the short run and long run(10marks)