

KISII UNIVERSITY

ELDORET CAMPUS

COURSE TITLE: AGE 455: NEW INSTITUTION ECONOMICS

INSTRUCTIONS:

ANSWER ANY FOUR QUESTIONS

1.

- a) Distinguish between neoclassical property right theories and NIE property rights theories. [8 marks]
- b) Explain Hardin's tragedy of the commons and [8 marks]
- c) Draw implications of Hardin's tragedy of the commons to common-pool resources in sub-Saharan African countries [8 marks]

2.

- a) Describe the pros and cons of private and common properties [10 marks]
- b) Explain Coase theorem; and [8 marks]
- c) Explain the roles of property rights institutions in economic performances [7 marks]

3.

- a) The relationship between institutions and economic performances [9 marks]
- b) Explain the relationship between organizations and institutions [8 marks]
- c) Identify the requirements that induce incremental institutional changes [8 marks]

4.

- a) Why is new institutional economics approach in agriculture important for jurists/economists? [5 marks]
- b) Outline and Specific issues that the New Institutional Economics resolves in agriculture [15 marks]
- c) Outline NIE and specific issues resolved by jurists [5 marks]

5.

- a) Compare and contrast New Institutional Economics(NIE) versus Neo-classical Economics [10 Marks]
- b) Discuss Emergence of New Institutional Economics [10 Marks]
- c) outline Branches of New Institutional Economics [5 Marks]

6. Briefly discuss on the following
- a) The meaning of transaction costs [4 marks]
 - b) The sources of transaction cost [6 marks]
 - c) Explain the two key behavioral foundations of transaction costs [4 marks]
 - d) Explain the three attributes of transaction cost; [6 marks]
 - e) Explain the relationships between transaction costs and choice of governance structure. [5 marks]