



KISII UNIVERSITY

UNIVERSITY EXAMINATIONS

SECOND YEAR EXAMINATION FOR THE AWARD OF THE DIPLOMA

DIPLOMA IN AGRICULTURAL AND APPLIED ECONOMICS

FIRST SEMESTER 2022/2023

(SEPTEMBER - DECEMBER, 2022)

AGEC 0201: MICROECONOMICS II

STREAM: Y2 S1

TIME: 2 HOURS

DAY: MONDAY, 3:00 P.M – 5:00 P.M

DATE: 19/12/2022

INSTRUCTIONS:

- 1. Do not write anything on this question paper.***
- 2. Answer ALL Questions in section A (Compulsory) and any other TWO Questions in section B.***

SECTION A (30MARKS)

QUESTION ONE

- a) Describe the two methods of economic analysis. (10marks)
- b) Explain the limitations of the concept of consumer sovereignty. (10marks)
- c) Differentiate between perfect and imperfect market. (10marks)

SECTION B (40MARKS)

QUESTION TWO

- a) Describe by use of the appropriate diagrams the main factors that bring change in supply. (10marks)
- b) Explain the following main concepts of elasticity of demand; (10marks)
 - i) Price elasticity of demand
 - ii) Income elasticity of demand

iii) Cross elasticity of demand

QUESTION THREE

Explain the indifference curve. State the 4 properties of the indifference curves. Use appropriate diagrams. (20marks)

QUESTION FOUR

Explain price is determined in the oligopoly market structure. (20marks)