



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 0252: CURRENT ISSUES IN AGRICULTURAL ECONOMICS

STREAM: Y2 S1

TIME: 2 HOURS

DAY: THURSDAY, 3:00 P.M – 5:00 P.M

DATE: 08/12/2022

INSTRUCTIONS:

- 1. Do not write anything on this question paper.***
- 2. Answer Question ONE (Compulsory) and any other TWO Questions.***

QUESTION ONE

- Critically discuss the challenges facing agriculture in Kenya today. (10marks)
- What is the relationship between new institutional economics and conventional economic theory. (8marks)
- The government plays pivotal role in helping the growth of economy. Examine the role of Kenya's government in political economic issues. (12marks)

QUESTION TWO

- The agricultural sector extension service plays important role in linking farmers with other actors in the economy. Discuss the challenges facing agriculture extension in Kenya. (10marks)
- Agriculture is the art and business of cultivating soil, producing crops and raising livestock. Discuss the role of agriculture in economic development. (10marks)

QUESTION THREE

- a) Discuss the characteristics of economic institutions. (10marks)
- b) Critically examine the role of economic institutions in economic growth. (10marks)

QUESTION FOUR

- a) In economics, transaction cost is a cost in making any economic trade when participating in a market. Discuss the three categories of transaction costs. (10marks)
- b) Property rights are theoretical socially-enforced constructs in economics for determining how a resource or economic good is used or owned. Discuss the three critical characteristics of efficient property rights (10 marks)