



KISII UNIVERSITY
UNIVERSITY EXAMINATIONS

FOURTH YEAR EXAMINATION FOR THE AWARD OF THE DEGREE OF
BACHELOR OF SCIENCE IN AGRICULTURAL EDUCATION AND EXTENSION
SECOND SEMESTER, 2023/2024
(JANUARY-APRIL, 2024)

AGEC 455: NEW INSTITUTIONAL ECONOMICS

STREAM: Y4 S2

TIME: 2 HOURS

DAY: FRIDAY, 12:00 – 2:00 P.M.

DATE: 12 /04/2024

INSTRUCTIONS

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

QUESTION ONE (40marks)

- Define New Institutional Economics (NIE). Discuss how it differs from traditional neoclassical economics. (10marks)
- Discuss the relationship of New Institutional Economics and Conventional Economic theory. (10marks)
- Explain the role of property right theory in economic analysis. (10marks)
- Discuss the role of institutions in promoting economic development and growth. (10marks)

QUESTION TWO (20marks)

- Compare and contrast the transaction cost theory and property rights theory within the framework of New Institutional Economics. (10marks)

- b) Discuss the role of institutions in promoting cooperation and overcoming collective action challenges. (10marks)

QUESTION THREE (20marks)

- a) Discuss the role of market structures and competition in conventional economic theory and New Institutional Economics. (10marks)
- b) Discuss the policy implications of NIE research findings for addressing market failures and improving economic efficiency. (10marks)

QUESTION FOUR (20marks)

- a) Discuss the role of property rights in facilitating exchange and investment within market economies. (10marks)
- b) Explain the role of government intervention in establishing and enforcing property rights. (10marks)

QUESTION FIVE (20marks)

- a) Discuss reforms or regulatory measures aimed at improving the resilience and integrity of financial markets. (10marks)
- b) Discuss how regulatory frameworks, intellectual property rights, and transaction costs influence innovation diffusion and market competition. (10marks)