



**KISII UNIVERSITY**  
**UNIVERSITY EXAMINATIONS**

**SECOND YEAR EXAMINATION FOR THE AWARD OF THE  
DIPLOMA IN AGRICULTURAL ECONOMICS  
FIRST SEMESTER, 2023/2024  
(JANUARY-APRIL, 2024)**

**AGEC 0252: CURRENT ISSUES IN AGRICULTURAL ECONOMIC**

**STREAM: Y2 S1**

**TIME: 2 HOURS**

**DAY: FRIDAY, 12:00 – 2:00 P.M.**

**DATE: 00/04/2024**

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**INSTRUCTIONS**

- 1. Do not write anything on this question paper.***
- 2. Section A is compulsory and answer any TWO questions in Section B.***
- 3. Answer question one and any other TWO questions***

**QUESTION ONE**

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

**QUESTION TWO**

- a) 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. (10mks)
- b) Agriculture is the art and business of cultivating soil, producing crops and raising livestock. Discuss the role of agriculture in economic development.  
(10mks)

**QUESTION THREE**

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

#### **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.  
(10mks)
- 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)