KISII UNIVERSITY
UNIVERSITY EXAMINATIONS

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

AGEC 0107: INTRODUCTION TO AGRICULTURAL ECONOMICS

STREAM: Y1 S2   **TIME: 3 HOURS**

DAY: MONDAY, 9:00 – 12:00 P.M.   **DATE: 15/04/2024**

INSTRUCTIONS
1. *Do not write anything on this question paper.*
2. *Questions in Section A are compulsory; choose the other TWO from section B*

SECTION A (40 marks)

1. What are the differences and similarities between economics and agricultural economics? (4 marks)

2. Explain the difference between movement along the supply curve and shift in the supply curve. Give examples of factors in each case. (6 marks)

3. What is the difference between agricultural economics and other disciplines in agriculture. (8 marks)

4. Why the slope of the demand curve is negatively sloped? (6 marks)

5. Differentiate between micro- and macroeconomics. (4 marks)

6. What is the difference between normative and positive economics? (8 marks)

7. Is economics a science or and art? Discuss. (4 marks)

SECTION B (30 marks)

1a). With examples, differentiate between cardinal and ordinal utility. (4 marks)

b). With the help of a diagram, explain the law of diminishing marginal utility.
(4 marks)

c). discuss in details characteristics of utility. (7 marks)

2(a)"The demand for salt is perfectly inelastic" Explain what you understand by this statement, and give reasons why it is probably true. (5marks)

(b). Discuss the features of perfect competitive market. (10marks)

3(a) Write short notes on the following;

    i. Gross Domestic Product (GDP) (1 mark)

    ii. Gross National Product (GNP) (1 mark)

    iii. Net National Product   (NNP) (1 mark)

    iv. Personal income (1marks)

    v. Disposable income (1 mark)

  (b). Discuss the methods of measuring national income (10 marks)