



KISII UNIVERSITY

UNIVERSITY EXAMINATIONS

**FOURTH YEAR EXAMINATION FOR THE AWARD OF THE DEGREE
OF BACHELOR OF SCIENCE IN AGRIBUSINESS MANAGEMENT AND
AGRICULTURAL ECONOMICS
FIRST SEMESTER 2022/2023**

(SEPTEMBER - DECEMBER, 2022)

AGEC 451: AGRICULTURAL POLICY

STREAM: Y4 S1

TIME: 2 HOURS

DAY: WEDNESDAY, 9:00 A.M – 11:00 A.M

DATE: 07/12/2022

INSTRUCTIONS:

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

QUESTION ONE

a) Explain the following concepts; (5marks)

- i) Subsidy
- ii) Trade policy
- iii) Marketing
- iv) Exchange rates
- v) Globalization

b) Kenya has been experiencing general price increase of food products especially Unga, as a farmer you have been given a special opportunity to address the issue. Come up with solutions both locally and nationally for this problem. (7marks)

- C) Examine the objectives of regulating market prices in Kenya. (5marks)
- d) State the function of foreign exchange markets. (2marks)
- e) Explain the objectives of east Africa countries free trade policy. (6marks)

QUESTION TWO

- a) Explain the objective of pricing policy and techniques with a well labeled diagram. (8marks)
- b) What is quality control? Examine the need for quality control especially in agricultural produce as way of protecting consumers. (7marks)

QUESTION THREE

- a) Examine the benefits of world trade organizations. (8marks)
- b) State and explain effect of change in prices on agricultural products (7marks)

QUESTION FOUR

- a) Explain the types of exchange rate systems and how they affect the agricultural domestic prices. (8marks)
- b) Critically state and explain the role of pricing policy and strategies. (7marks)

QUESTION FIVE

- a) Examine the effect of capital requirements of an agricultural market firm. (10marks)
- b) State and briefly show the limitations of agricultural pricing policy in Kenya. (5marks)