



MACHAKOS UNIVERSITY

University Examinations for 2016/2017

SCHOOL OF AGRICULTURE AND NATURAL RESOURCES MANAGEMENT

DEPARTMENT OF AGRIBUSINESS MANAGEMENT AND TRADE

SECOND YEAR FIRST SEMESTER EXAMINATION FOR BACHELOR OF SCIENCE
IN AGRIBUSINESS MANAGEMENT

KBT 212: AGRIBUSINESS AND ECONOMIC DEVELOPMENT

Date: 8/12/2016

Time: 2:00 – 4:00 PM

INSTRUCTIONS

Answer question ONE and ANY TWO questions

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Define the following terms
 - i. Economic growth (1 mark)
 - ii. Economic development (1 mark)
- b) Explain four ways through which good governance influences economic growth and development in Kenya. (4 marks)
- c) Explain the sustainable development agenda, citing relevant examples of these goals. (4 marks)
- d) Explain the theory of induced institutional change in economic development (4 marks)
- e) Explain four reasons why economic growth does not always translate into equity. (4 marks)
- f) Giving relevant examples, differentiate between formal and informal financial markets. (6 marks)
- g) Explain three reasons why market failures occur. (6 marks)

QUESTION TWO (20 MARKS)

- a) Explain how cultural dimension of development influences economic development in Kenya. (2 marks)
- b) Suppose the county government of Kisii seeks your advice on how to assess the equality level of its citizens. Outline step by step on how you could examine the inequality status of population of Kisii County. (8 marks)
- c)
 - i) Outline five factors affecting life expectancy in Kenya (5 marks)
 - ii) As development economist advice the government on five potential interventions that could foster a healthy nation (5 marks)

QUESTION THREE (20 MARKS)

- a) Explain how human development is likely to influence economic development of developing countries (2 marks)
- b)
 - i) Suppose Kenyan government seeks your guidance on how to assess the level of poverty of its population. As a development economist outline two approaches, highlighting major steps you could consider to assess poverty status of Kenyan population (6 marks)
 - ii) Highlight two inadequacies of each approach mentioned in b (i) above (4 marks)
- c) Poverty reduction is one of the sustainable development objectives of most of the developing realms. As a development economist advice the Kenyan government on four major pro-poor development policies that can be put in to place to achieve the goal of poverty reduction and economic growth (8 marks)

QUESTION FOUR (20 MARKS)

- a) Explain four aspects of food and nutrition security with their determinants (4 marks)
- b) Explain six emerging trends and innovations that are encouraging financial inclusion of rural and urban poor in economic development in Kenya (6 marks)
- c) Kenyan economy has had notable growth for the last 10 years; conversely, some of the sectors have increasingly faced deteriorating performance.
 - i) Explain five drawbacks facing Kenyan economic vigor (5 marks)
 - ii) As a development economist, explain five interventions that you could advice Kenyan government to adopt to foster economic growth and development (5 marks)

QUESTION FIVE (20 MARKS)

- a) Explain four models of household saving and investment (4 marks)
- b) Agribusiness sector presents major untapped opportunities in Africa. As an agribusiness expert, advice Kenyan government on six reasons why it should invest in agribusiness and agro-processing (6 marks)
- c) Technological change and innovation are crucial for economic growth in Kenya. Outline five ways how new technologies contribute to different sectors of Kenyan economy. (10 marks)