



STRATHMORE UNIVERSITY BUSINESS SCHOOL

MASTER OF MANAGEMENT IN AGRIBUSINESS

END OF SEMESTER EXAMINATIONS

MMA 8107: ECONOMICS OF AGRIBUSINESS

Date: Thursday, 12th September 2019

Time: 3 Hours

Instructions

1. Attempt **Question ONE** and **ANY OTHER THREE** questions

Question 1 (Compulsory) (40 Marks)

- a) In the language of economics, explain the concept of utility **(10 Marks)**
- b) Explain economic welfare concepts and discuss the welfare implications of a drought **(15 Marks)**
- c) Discuss the determinants of price elasticity of demand **(15 Marks)**

Question 2 (20 marks)

Discuss the forms of imperfect competition in the selling activities of firms in the food and fiber systems.

Question 3 (20 Marks)

Using a hypothetical case study of two countries and two goods, demonstrate how nations can gain from international trade by showing clearly the nation with absolute advantage and comparative advantage and the sources of comparative advantage

Question 4 (20 Marks)

Discuss the typical solutions of the farm problems by the government interventions in agriculture.

Question 5 (20 Marks)

What can private sector and agriculture do for agricultural transformation and economic development? Discuss