

2425/103
AGRICULTURAL ECONOMICS I
AND EXTENSION EDUCATION
Oct./Nov. 2022
Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN AGRICULTURE

MODULE I

AGRICULTURAL ECONOMICS I AND EXTENSION EDUCATION

3 hours

INSTRUCTIONS TO CANDIDATES

You should have the following for this examination:

Answer booklet;

Non-programmable scientific calculator.

This paper consists of EIGHT questions in TWO sections A and B.

Answer any THREE questions from section A and any TWO questions from section B.

All questions carry equal marks.

Maximum marks for each part of a question are indicated.

Candidates should answer the questions in English.

This paper consists of 4 printed pages.

Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

SECTION A: AGRICULTURAL ECONOMICS I (60 marks)

Answer any THREE questions from this section.

1. (a) Describe the four types of wealth. (8 marks)
- (b) Explain the characteristics of human wants. (12 marks)
2. (a) State five advantages of a planned economy. (5 marks)
- (b) Figure 1 shows a relationship in quantity and price.

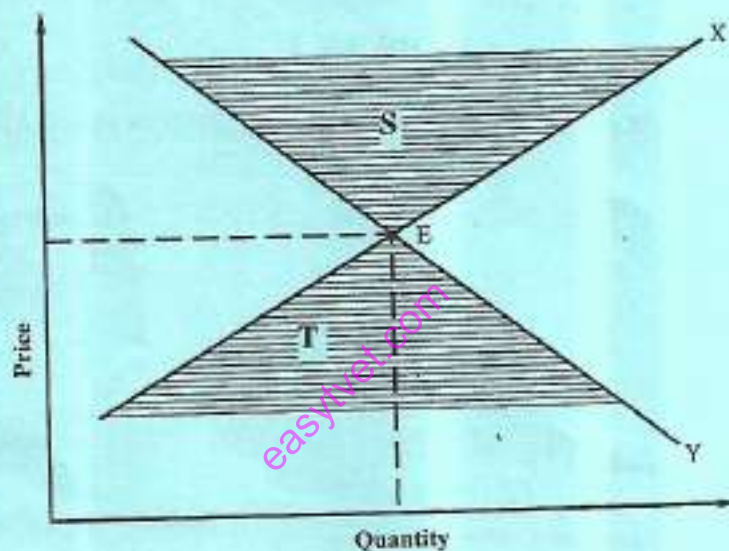


Fig. 1

- (i) Identify the curves labelled X and Y.
 - (ii) State the concepts illustrated by S and T.
 - (iii) Name the phenomenon illustrated by point E.
 - (iv) Highlight five factors that will shift curve X to a new position. (10 marks)
- (c) The following is a demand and supply function:
- $$Q_d = 4550 - 300 P$$
- $$Q_s = 1640 + 200 P$$
- Determine the equilibrium market price. (5 marks)

(5 marks)

3. (a) Highlight five advantages of price ceiling.
- (b) Using illustrations, describe each of the following types of elasticity of demand:
- (i) elastic;
 - (ii) unitary;
 - (iii) inelastic;
 - (iv) perfectly elastic;
 - (v) perfectly inelastic.

(10 marks)

(c) Highlight five roles of income elasticity of demand.

(5 marks)

4. (a) Figure 2 shows the relationship between input and output.

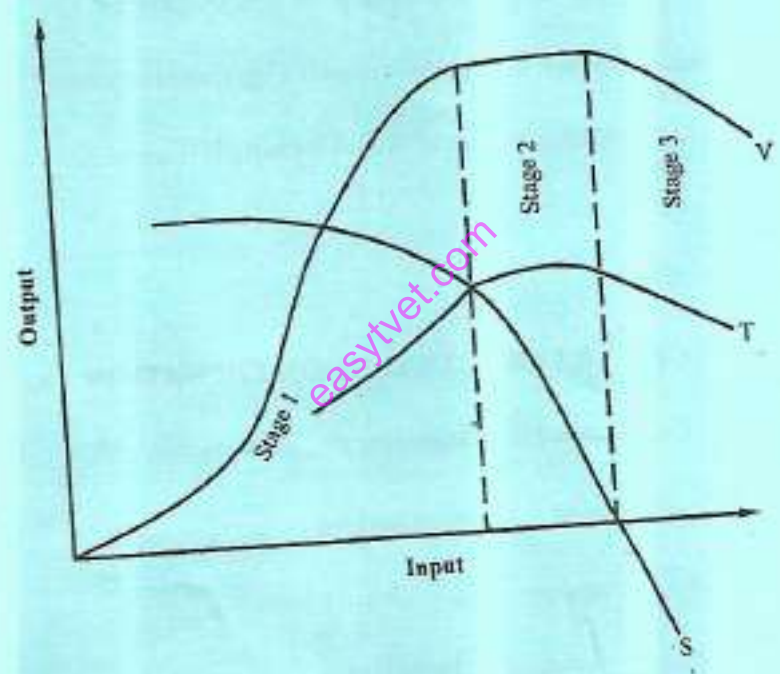


Fig. 2

- (i) Identify the curves labelled S, T and V.
- (ii) Describe stages 1, 2 and 3.
- (iii) Identify the best stage of production.

(10 marks)