KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2017/2018

DIGITAL SCHOOL OF VIRTUAL AND OPEN LEARNING

SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF SCIENCE

(AGRIBUSINESS MANAGEMENT AND TRADE)

KBT 210: PRINCIPLES OF AGRICULTURAL MACROECONOMICS

DATE: TUESDAY 19TH JUNE 2018 TIME: 11.00A.M-1.00P.M

INSTRUCTIONS:

Answer Question ONE and any other TWO Questions

Q1. a) Explain the differences between microeconomics and macroeconomics. (4 marks)

b) Explain the meaning of national income. (5 marks)

c) Evaluate the significance of national income analysis (7 marks)

d) Discuss the determinants of investment spending. (8 marks)

e) Examine the determination of consumption spending (5 marks)

f) Discuss the fundamental tools used to achieve the objectives of monetary policy. (6 marks)

g) Explain any five causes of market failure. (5 marks)

Q2. Describe how macroeconomic variables affect individual agribusiness firms. Provide practical examples with your answer. (15 marks)

Q3. Discuss the three approaches used in measuring national income. (15 marks)

Q4. a) Describe the term Fiscal Policy. (3 marks)

b) Using diagrams identify and describe;

i) Keynesian range. (4 marks)

ii) Intermediate range (4 marks)

iii) Classical range. (4 marks)