

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF SCIENCE IN
AGRICULTURAL ECONOMICS AND AGRIBUSINESS MANAGEMENT**

AGEC 423: ECONOMIC DEVELOPMENT

STREAMS: AGECE, AGBM Y4S1

TIME: 2 HOURS

DAY/DATE: MONDAY 4/12/2017

2.30 P.M- 4.30 P.M

INSTRUCTIONS:

- **Answer all questions in section A and any three in section B**
- **Answer each question on separate pages**

SECTION A

1. (a) One implication of structural transformation is that it is driving down the real cost of food to consumers. Discuss the pertinent issues that requires increased attention to foster Agricultural transformation. [6marks]

(b) Agriculture is the main stay of least developed countries and contributing to their food security, export earning and rural development. However, agriculture is not very productive in these low income countries. The poor performance of agricultures in less developed countries is related to many internal and external difficulties that these countries face as they seek to develop these sector in order to achieve food security and increase export earnings. Briefly discuss the internal and external difficulties.

[10marks]

(c) Illustrate the world food problem and the income situation.

[9marks]

SECTION B

2. (a) Discuss the theory of demographic transition.

[10marks]

- (b) Many economists have argue that population is an accelerating factor to economic development. Giving relevant examples, discuss the validity of this argument. [5marks]
3. (a) Briefly demonstrate David Ricardo's theory of growth. [10marks]
- (b) Discuss the growth retarding factors as elucidated by the Malthus theory of growth. [5marks]
4. (a) Giving examples relevant to specific countries, discuss the common sources of economic development. [10marks]
- (b) Discuss the major characteristics of under-development. Cite examples where possible. [5marks]
5. (a) Define economic development. How is it different from economic growth? [5marks]
- (b) Discuss the vicious cycle of capital deficiency and its negative effects to economic deployment. [10marks]
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