2425/103
AGRICULTURAL ECONOMICS I
AND EXTENSION EDUCATION
June/ July 2017
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:
   Non-programmable scientific calculator;
   Answer booklet.
This paper consists of TWO sections; A and B.
Answer a total of FIVE questions taking at least TWO questions in section A, and at least 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 3 printed pages.

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

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SECTION A: AGRICULTURAL ECONOMICS I

Answer at least TWO questions from this section.

1. (a) Explain the following terms as used in economics.

    (i) scarcity;
    (ii) utility;
    (iii) choice;
    (iv) opportunity cost.   (8 marks)

    (b) The table below shows the relationship between input and output:

    Table I

Input (X)	0	20	25	40	50	60	65	70	80	85
Output (Y)	0	15	30	80	85	90	89	85	80	75

    Given that the fixed factor is land:

    (i) draw a graph to illustrate how input relates to output;
    (ii) explain the phenomenon illustrated in the graph.   (8 marks)

    (c) State any **four** factors that affect demand for oranges in a local market.   (4 marks)

2. (a) Table II represents a demand schedule.

    Table II

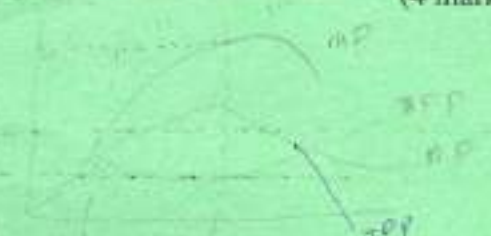 | Price | 70 | 60 | 50 | 40 | 30 | 20 |
    |-------|-----|-----|-----|-----|-----|-----|
    | Quantity | 200 | 300 | 400 | 500 | 600 | 700 |

    Calculate elasticity coefficients between the points.   (10 marks)

    (b) Using labelled diagrams, explain the relationship between elasticity and total revenue.   (10 marks)

3. (a) Illustrate the relationship between marginal, average and total physical products of a firm.   (7 marks)

    (b) From the illustrations in 3(a) above, explain the **three** zones of production.   (9 marks)

    (c) Explain how the level of technology would affect the total physical product curve.   (4 marks)

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4. (a) State **five** functions of money. (5 marks)

(b) Explain the merits and demerits of monoculture as a farming system. (10 marks)

(c) Highlight the effects of seasonal fluctuation of agricultural production. (5 marks)

SECTION B: EXTENSION EDUCATION

*Answer at least **TWO** questions from this section.*

5. (a) Discuss participatory approach of extension. (10 marks)

(b) Explain the principles which guide extension work. (10 marks)

6. (a) Describe the following concepts as used in agricultural extension:

(i) coercion;
(ii) authority. (10 marks)

(b) Highlight the characteristics of the following societies:

(i) rural;
(ii) urban. (10 marks)

7. (a) Describe democratic style of leadership. (9 marks)

(b) Define the following terms:

(i) rural sociology;
(ii) family;
(iii) ethnocentrism. (6 marks)

(c) Give any **five** factors that lead to social change in a society. (5 marks)

8. (a) Name any **five** types of groups that are involved in rural development. (5 marks)

(b) Explain why rural sociology is considered as a science. (5 marks)

(c) Outline the steps involved in decision making. (10 marks)

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