



# **MASENO UNIVERSITY**

## **UNIVERSITY EXAMINATIONS 2016/2017**

### **FOURTH YEAR FIRST SEMESTER EXAMINATION FOR DEGREE OF BACHELOR OF SCIENCE IN AGRICULTURAL ECONOMICS/AGRIBUSINESS MANAGEMENT WITH INFORMATION TECHNOLOGY**

#### **MAIN CAMPUS**

#### **AAB 406: AGRICULTURE AND INTERNATIONAL TRADE**

Date: 1<sup>st</sup> December, 2016

Time: 3.30 - 6.30pm

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#### **INSTRUCTIONS:**

- Answer ALL Questions in section A and any TWO in section B.
- Carefully read and follow the instructions contained in the answer booklets provided.



**SECTION A Compulsory**

1. Define the term trade policy review (2mks)
2. List the constituents of trade policy (3mks)
3. With aid of a diagram, explain the effects of imposition of the following trade barriers in Kenya
  - a. Tariff (5 mks)
  - b. Quota (5 mks)
4. A developing country like Kenya must protect the local industries against foreign multinational companies. What are the arguments for protection? (5 mks)
5. Explain FIVE factors that influence the exchange rate (5 mks)
6. Write short notes on international currency exchange rate (5 mks)

**SECTION B: Answer Any Two Question**

7. Economic co-operation and regional integration is a sure means to international trade. Discuss. (20mks)
8. Cite a case study and write in details on international trade business, its success and challenges. (20mks)
9. Sub-Saharan Africa is known for trading in primary agricultural products in the international markets. What are some of the challenges that have led to this business position? (20mks)