

VOCATIONAL AGRICULTURE PUBLICATIONS

REVISION QUESTIONS

TOPIC; AGRICULTURAL ECONOMICS AND FARM MARKETING (A'LEVEL)

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Instructions;

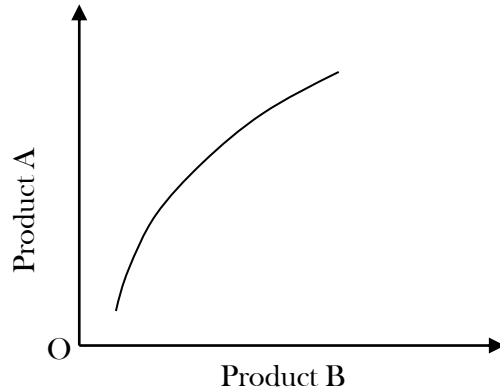
- **Attempt all questions.**
- **You can refer to Vocational Agriculture books or call the Teachers for clarification.**

Section A (10 marks), Objective questions; attempt all questions

- 1. In farming, costs that are not easily recognized and accounted for in the production process are called?**
 - A. Explicit costs
 - B. Variable costs
 - C. Fixed costs
 - D. Implicit cost
- 2.is a market structure in which there is only one buyer of a good or service?**
 - A. Perfect competition.
 - B. Oligopoly.
 - C. Monopoly.
 - D. Monopolistic competition.
- 3. Standardization in agricultural marketing refers to;**
 - A. putting the products of the same kind together
 - B. grading of products
 - C. processing of agricultural products
 - D. making quality specifications used in grading
- 4. On Babes' farm, 20 men cultivate 200 ha of land in a week. On adding an extra man, they cultivate 205 hectares in a week. What is the marginal product for the extra man?**
 - A. 21 ha per week.
 - B. 20 ha per week.
 - C. 5 ha per week.
 - D. 1 ha per week.
- 5. The region of the production function in which the fixed factor is under-utilized is;**
 - A. Region 1
 - B. Region 2
 - C. Region 3
 - D. Region 4
- 6. The down slope of the production function illustrates;**
 - A. Economic growth
 - B. Opportunity cost
 - C. Excess capacity
 - D. Economic depression.
- 7. The form of specialization in which a country produces what it can do best and exchanges it with what is produced by other countries is.....**
 - A. International Specialization
 - B. Regional specialization
 - C. Specialization by craft
 - D. Specialization by process
- 8. The type of elasticity of supply where the PEs is equal to one is;**
 - A. Unit elasticity of supply.
 - B. Inelastic supply.

- C. Elastic supply.
- D. Perfectly elastic supply.

9. The graph below indicates which type of product- product combination;



- A. Supplementary product.
 - B. Competitive product.
 - C. Complementary product.
 - D. Joint product.
10. Which of the following is not a land reform in agriculture?
- A. Land consolidation.
 - B. Land fragmentation.
 - C. Land legislation.
 - D. Land registration.

Section B (30 marks) short answers:

Attempt all questions in this section

1. Distinguish between economic efficiency and technical efficiency (03 marks).
2. Give **three** importance of assessing farming efficiency in farm management (03 marks).
3. State **three** are the Signs of over population in an area? (03 marks)
4. Identify **three** Sources of agriculture credit (03 marks).
5. Mention **three** reasons why specialization is of importance in agriculture production? (03marks).
6. State **three** economic questions that an entrepreneur answers before deciding on the type of farm enterprise to start (03 marks).
7. Calculate the gross margin per hectare of a maize crop grown on 5 hectares of land; if the total yield is 10,000kg; given that the maize was sold at shs.500 per kg, seeds were bought at Shs. 20000, fertilisers at Shs. 400,000 and herbicides at Shs. 100,000. (03 marks).
8. Give **three** reasons for assessing farming efficiency? (03 marks).
9. Explain **three** ways in which a farmer can guard against risks and uncertainties in farming? (03 marks).
10. State any **three** causes of scarcity in agricultural production? (03 marks).

Section C (60 marks); Essay questions;

Attempt any three (3) questions from this section

1. a) With the aid of diagrams, describe the types of price elasticity of demand for agricultural products in the market (12 marks)
b) What are the causes of an increase in demand for agricultural products in the market? (08 marks)
2. a) Describe the methods of determining prices of agricultural commodities in the market (09 marks)
b) With the aid of a diagram, describe how prices are determined in a perfectly competitive market? (11 marks)
3. a) Describe the activities involved in marketing agricultural products (12 marks)
b) What are the problems faced in marketing agricultural products? (08 marks)
4. a) Describe the types of production functions experienced in farming (12 marks)
b) Explain how the production function is used to determine the most profitable level of production (08 marks)
5. a) Explain the Malthusian population theory (05 marks)
b) To what extent is the Malthusian population theory relevant to developing countries? (10 marks)
c) State the causes of high population growth rates in your country (05 marks)