

# UGANDA MARTYRS UNIVERSITY

## NKOZI

### UNIVERSITY EXAMINATIONS

#### FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT

#### DEPARTMENT OF ECONOMICS

#### SECOND YEAR SECOND SEMESTER EXAMS FOR

#### BSC/BA. EDUCATION and BS. ECONOMICS AND STATISTICS

#### ECO 2102: ECONOMICS OF AGRICULTURE

DATE: Tuesday 12 July 2022

TIME: 09:30PM – 12:30PM

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**Instructions:**

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1. *Carefully read through ALL the questions before attempting*
  2. *Section A is compulsory. ANSWER THREE questions (3) in Section B.*
  3. *All questions carry equal marks*
  4. *Do not write anything on the questions paper.*
  5. *Carefully read through ALL the questions before attempting.*
  6. *No **names** should be written anywhere on the examination booklet.*
  7. *Ensure your work is **clear and readable**. Untidy work shall be penalized.*
  8. *Any type of examination Malpractice will lead to automatic disqualification.*
  9. *Ensure that your **ID number** is indicated on all pages of the examination answer booklet.*
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### SECTION A: COMPULSARY ( 40 MARKS)

1 a. The rural agricultural sector in Africa has characteristics that distinguishes it from the Urban and Semi Urban sector in Africa. With examples, outline these characteristics, and, explain the role of the rural agricultural sector in Africa (10mks)

b) Given your knowledge of the lectures of economics of agriculture, explain how you can promote agricultural entrepreneurship among small holder framers (10mks)

c) Briefly explain why the farm manager should pay attention to different types of elasticities of demand in agriculture. Classify the probable elasticity of fresh fruits and dry peas (10mks)

d) State and illustrate the conditions for a farm manager seeking to maximize profits for his maize farm (5mks)

e. Given the following input, cost and output table for Simon Peter Animal farm, fill in the missing costs accordingly.

Output	TC	TFC	ATC	AVC
-	10,000	4000	500	-
-	-	30	31	28
-	6000	2000	300	-

(ii) Using the information in (i) above, and a relevant graph, identify the boundaries of the stages of production, and identify the stage of production in which factor combination is optimum.

(5mks)

iii) Explain the relationship observed in (ii) above

(5mks)

#### **Question Six**

a) In your view, why do you think marketing in agriculture need to be over emphasized like in any other business

(5mks)

b) Agricultural marketing has been identified as an important multiplier to agricultural development. Explain five indicators where agricultural marketing impacts on economic growth and development of African economies

(5mks)

c) Briefly highlight 5 key challenges of African agriculture marketing and suggest on how they can be dealt with.

(10mks)

#### **Question seven**

a) Explain why farmers have been referred to as good producers but poor business men and women

(5mks).

b) Using the different types of records kept on the farm, justify the importance of record keeping (book keeping) by farmers

(10mks)

c) With reasons, why may you advise small holder farmers to use double entry accounting system of record keeping than Single entry accounting system.

(5mks)

**“There is great Market Opportunity in promoting Agricultural Entrepreneurship for Economic Development of Africa “**

*WISHING YOU SUCCESS.*