

BINDURA UNIVERSITY OF SCIENCE EDUCATION
FACULTY OF AGRICULTURE AND ENVIRONMENTAL SCIENCE

AGM 409

Department of Agricultural Economics, Education and Extension
BSc Agricultural Science Examination
Institutional Economics

3 HOURS (100 MARKS)

INSTRUCTIONS TO CANDIDATE:

Answer **ALL** questions from **Section A** and **ANY THREE** questions from **Section B**

SECTION A (COMPULSORY)

1. (a) Explain the technical and institutional challenges in African Agricultural Development. **[10 marks]**
(b) Describe the unique circumstances of poor farmers in Africa which makes them prone to face problems in Agricultural production. **[15marks]**

SECTION B (ANSWER ANY THREE)

2. Explain why market exchange in Africa is much more costly, cumbersome, time consuming, and unpredictable than elsewhere in the world. **[25 marks]**
3. Explain the Success and Failure of policy in Africa. **[25 marks]**
4. Write short notes on:
(a) State-Led Development Policy. **[13marks]**
(b) Market-Led Development Policies. **[12 marks]**
5. Give a detailed explanation of Moral hazard and Adverse selection as applied in institutional economics. **[25 marks]**
6. (a) Differentiate transaction costs from transaction risks. **[15 marks]**
(b) Explain the transaction-Cost Economics (TCE) model. **[10 marks]**

END OF PAPER