

BINDURA UNIVERSITY OF SCIENCE EDUCATION
FACULTY OF AGRICULTURE AND ENVIRONMENTAL SCIENCE

Department of Agricultural Economics, Education and Extension
BSc Agricultural Science (Honours) Part 4 Examination

AGM 409

INSTITUTIONAL ECONOMICS

 **MAR 2023**

3 HOURS (100 Marks)

INSTRUCTIONS

Answer any **FOUR** questions. Each question carries **25 marks**.

1. (a) Explain the technical and institutional challenges in African Agricultural Development. [10 marks]
b) Describe unique circumstances of poor farmers in Africa which makes them prone to face problems in Agricultural production. [15marks]
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.
(i). Differentiate transaction costs from transaction risks. [15 marks]
(ii). Explain the Transaction-Cost Economics (TCE) model. [10 marks]

End of Paper