MAASAI MARA UNIVERSITY

REGULAR UNIVERSITY EXAMINATIONS 2020/2021 ACADEMIC YEAR
FIRST YEAR FIRST SEMESTER

SCHOOL OF BUSINESS AND ECONOMICS BSC. ECONOMICS, BSC. ECONOMICS AND STATISTICS & BSC. FINANCIAL ECONOMICS

COURSE CODE: ECO 1106
COURSE TITLE: KENYA'S ECONOMY SINCE INDEPENDENCE

DATE: 3RD JUNE, 2021   **TIME: 1430 – 1630HRS**

INSTRUCTIONS TO CANDIDATES

Answer Question **ONE** and any other **TWO** questions

QUESTION ONE
a) Discuss the advantages and disadvantages of the system of controlled marketing in Kenya **(5 marks)**
b) Discuss the various policy measures and strategies that the Republic of Kenya has adopted to reduce the poverty level in the economy. **(5 marks)**
c) Discuss the objectives of International Monetary Fund to Kenya's economy. Use examples and illustrations. **(6 marks)**
d) Discuss main features of Kenya's agriculture and problems that are associated with it. **(9marks)**

QUESTION TWO
a) Discuss the factors that contributed to the crisis in the East African Cooperative Movement during the mid-1980s **(7 marks)**
b) (i) Explain the concept black market **(4 marks)**
   (ii) Under what sort of circumstances may a black market arise?
   (4marks)

QUESTION THREE
a) Kenya's population growth rate is the highest among the developing countries and has been growing moderately high since independence.

   (i) Discuss the effects of high population growth rate to the economy.
   (5 marks)
   (ii) Explain the measures and strategies that the government may adopt to reverse population growth rate trend. **(6 marks)**

b) Discuss the advantages of a policy of export promotion over import substitution industrialization. **(4 marks)**

QUESTION FOUR
a) Discuss the main causes of poverty levels in Kenya. **(5 marks)**
b) Explain the following concepts as used in Economics.
   i. Devaluation **(2marks)**
   ii. Cobweb theorem **(3 marks)**
   iii. Political competition and democracy **(2 marks)**
c) "Credible election in Kenya is critical for social cohesion and economic development." Discuss. **(3 marks)**

QUESTION FIVE
a) Current government's high appetite for loan has necessitated public debt to grow spectacularly at alarming rate against sluggish GDP growth rate.

   (i) Discuss the impact of debt burden to the economy **(3 marks)**
   (ii) Outline major causes of high public debt **(3 marks)**
   (iii) Explain policy measures that may be adopted to reduce debt burden
   (2 marks)
b) Explain the challenges encountered in the allocation and distribution of resources from central government to county governments. **(4 marks)**
c) Discuss the role of public expenditure as a policy instrument for addressing inequalities and unemployment. **(3 marks)**
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