



# **MAASAI MARA UNIVERSITY**

**REGULAR UNIVERSITY EXAMINATIONS**

**2018/2019 ACADEMIC YEAR**

**FIRST YEAR FIRST SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS**

**BACHELOR OF SCIENCE (ECONOMICS)**

**BACHELOR OF SCIENCE (FINANCIAL  
ECONOMICS)**

**BACHELOR OF SCIENCE (ECONOMICS AND  
STATISTICS)**

**COURSE CODE: ECO 1106**

**COURSE TITLE: KENYA'S ECONOMY SINCE  
INDEPENDENCE**

**DATE: 10<sup>TH</sup> DECEMBER, 2018**

**TIME: 1100 - 1300 HRS**

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**INSTRUCTIONS TO CANDIDATES**

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

*This paper consists of 3 printed pages. Please turn over.*

### **QUESTION ONE**

- a) Discuss the advantage and disadvantage of the system of controlled marketing in Kenya. **(5marks)**
- b) Explain the main features marketing board system in Kenya **(3marks)**
- c) Discuss the way in which the expansion of cash cropping in Kenya has produced regional inequalities in development. **(4marks)**
- d) (i) Explain the concept a black market. **(3marks)**  
(ii) Use examples to explain under what sort of circumstance a black market may arise **(4marks)**
- e) Explain the features of Kenya's tax structure system. **(5marks)**

### **QUESTION TWO**

- a) Compare and contrast Kenyan Government's Big Four development Agenda of 2018 with that of Sessional Paper Number One of 1986. **(4marks)**
- b) Kenya's population growth has been increasing at an alarming rate since independence
  - i. Explain main factors responsible for population. **(4marks)**
  - ii. Discuss strategies and policy measures the government has adopted to reverse the worrying trend. **(3marks)**
- c) Discuss structural features of Kenyan agricultural sector. **(4marks)**

### **QUESTION THREE**

- a) Discuss the conditions affecting the profitability of mechanized farming. **(4marks)**
- b) Discuss the possible effects of import substitution on the overall rate of economic growth. **(4marks)**
- c) Discuss the main arguments for establishing state owned enterprises in Kenya. **(4marks)**
- d) Describe main objectives of Industrial Development Corporation (IDCs) **(3marks)**

#### **QUESTION FOUR**

- a) Explain the following concepts **(6marks)**
- i. Competitive policies
  - ii. Devolution
  - iii. Integrity and accountability
  - iv. Power sharing
  - v. Democratization
  - vi. Landlessness
- b) Explain the causes and effects of high poverty level indices in Kenya **(3marks)**
- c) Kenya's public debt has grown over time since independence and still continues to grow steadily at a faster rate annually.
- i. Discuss the consequences of high public debt burden to the economy. **(3marks)**
  - ii. Suggest policy measures that may be adopted to address the debt burden. **(3marks)**

#### **QUESTION FIVE**

- a) Explain the challenges involved in allocating and disbursing financing resources from Central Government to County Governments **(5marks)**
- b) Discuss major instruments government has adopted to finance its fiscal deficits position. **(4marks)**
- c) Major conflicts that have been experienced in Kenya since independence to-date mainly that emanate from unequal distribution of resources. Discuss **(4marks)**
- d) Explain the role of Medium Term Expenditure Framework (MTEF) **(3marks)**

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