



# MACHAKOS UNIVERSITY

University Examinations for 2016/2017

SCHOOL OF AGRICULTURE AND NATURAL RESOURCES MANAGEMENT

DEPARTMENT OF AGRIBUSINESS MANAGEMENT

THIRD YEAR FIRST SEMESTER DIPLOMA IN AGRICULTURE EDUCATION AND  
EXTENSION

**KBT 0324: AGRICULTURAL MARKETING**

**DATE: 25/7/2017**

**TIME: 8:30 – 10:30 AM**

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## INSTRUCTIONS:

**Answer question one and two other questions**

### QUESTION ONE (COMPULSORY) (30 MARKS)

- (a) Define the following:
- (i) Market (2 marks)
  - (ii) Collusive behavior (2 marks)
  - (iii) Herfindahl index (2 marks)
  - (iv) Price stabilization (2 marks)
  - (v) Spot market (2 marks)
- (b) Describe four components of the market structure in agricultural markets (4 marks)
- (c) Use the example of an agriculture market to classify markets based on their time span of operations. (3 marks)
- (d) The marketing of maize involves a collection of activities. Classify these activities using Kohl and Uhls model. (3 marks)
- (e) (i) Differentiate between horizontal and vertical integration in the marketing of milk from a dairy farm. (2 marks)
- (ii) Describe two functions of a marketing cooperative society in Kiambu County (2 marks)
- (f) (i) Describe three advantages of processing vegetables in Kenya before marketing. (3 marks)
- (ii) Describe three situations that may lead to regulated markets. (3 marks)

**SECTION B: ANSWER ANY OTHER TWO QUESTION (40 MARKS)**

**QUESTION TWO (20 MARKS)**

- (a) There is an increase investments aimed at developing agriculture markets in Kenya. Describe five roles of agricultural markets in Kenya. (10 marks)
- (b) Juma is considering setting up a horticulture farm in Nyahururu. He has approached you for advice on his transport facilities. Outline five factors that Juma should consider in relation to transportation of his produce from Nyahururu to the market. (10 marks)

**QUESTION THREE (20 MARKS)**

- (a) Market information can be an asset to individuals and groups within the markets. Describe five benefits of market information in agribusiness. (10 marks)
- (b) Explain five ways in which middle men can be a challenge in groundnut marketing in Homa Bay County in Kenya. (10 marks)

**QUESTION FOUR (20 MARKS)**

- (a) Describe the factors that affect the marketable surplus in a market. (10 marks)
- (b) Henry is producing local chicken at his backyard in Nakuru. Describe five determinants he should consider in selecting a marketing channel for his chicken. (5 marks)
- (c) A consumer pays Ksh.70 for a liter of milk at a retail shop in Nakuru. The milk was purchased from a farmer in Nyahururu at Ksh.50 per liter. Calculate the producer share in the price paid by the consumer. (5 marks)

**QUESTION FIVE (20 MARKS)**

- (a) Explain the difference between functional and institutional theoretical approach in agricultural marketing. (5 marks)
- (b) Describe the following activities in food processing:
- i) Refining (3 marks)
  - ii) Milling (2 marks)
- (c) Explain five factors affecting capital requirement for an agricultural markets. (10 marks)