MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF AGRICULTURAL SCIENCES

DEPARTMENT OF AGRIBUSINESS MANAGEMENT AND TRADE

SPECIAL/ SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF SCIENCE IN AGRICULTURAL EDUCATION AND EXTENSION

BACHELOR OF SCIENCE IN AGRIBUSINESS MANAGEMENT

AGB 205/KBT102: PRINCIPLES OF AGRICULTURAL MARKETING

DATE: 20/01/2021   **TIME: 8.30-10.30 AM**

INSTRUCTIONS;

Answer question one and any other two questions

QUESTION ONE (30 MARKS)

a) Differentiate between:

    i.   Absolute advantage and comparative advantage   (2 marks).

    ii.   Merchant middlemen and agent middlemen   (2 marks).

    iii. Vertical integration and horizontal integration   (2 marks).

    iv. The law of demand and the law of supply   (2 marks).

b) State three facilitating functions of an agricultural marketing system   (3 marks).

c) Classify agricultural markets using the following dimensions

    i.   Number of commodities   (2 marks).

    ii.   Geographical location   (3 marks).

d) Expound on three factors that have been associated with poor performance of agricultural marketing cooperatives in Kenya   (6 marks).

e) Describe with examples from Kenya:

    i.   Perfectly competitive markets   (3 marks)

    ii.   Imperfect markets   (5 marks)

QUESTION TWO (20 MARKS)

a)   Describe four elements of a marketing mix   (8 marks)

b)   Setting minimum commodity prices by the government is good for maize marketing in Kenya. Critique this statement.   (12marks)

QUESTION THREE (20 MARKS)

a)   Maziwa Farm has been buying milk from individual dairy farmers for processing. Suppose the farmers organize themselves into producer groups and are contracted by Maziwa Ltd to supply them with milk. Explain five potential benefits of this marketing arrangement

(10 marks)

b)   International markets provide an opportunity for increasing farm incomes. Explain five reasons Kenya has not exported some her agricultural   (10 marks)

QUESTION FOUR (20 MARKS)

a)   Expound on four goals of the World Trade Organization   (8 marks)

b)   Explain why an agribusiness firm should manage its marketing macroenvironment (12 marks)

QUESTION FIVE (20 MARKS)

a)   You have just developed a new sausage product. Using an appropriate illustration, explain life cycle your product is likely to go through   (10 marks)

b)   Demand for tomatoes in Kenya will not change over the next 20 years. Critique this statement   (10 marks)