



MACHAKOS UNIVERSITY

University Examinations for 2021/2022 Academic Year

SCHOOL OF AGRICULTURE, ENVIRONMENT AND HEALTH SCIENCES

DEPARTMENT OF AGRICULTURAL SCIENCES

FIRST/SECOND YEAR SPECIAL / SUPPLEMENTARY EXAMINATION FOR
BACHELOR OF SCIENCE IN AGRICULTURAL EDUCATION AND EXTENSION

BACHELOR OF EDUCATION SCIENCE

BACHELOR OF EDUCATION (SPECIAL NEEDS)

AGB 205/KBT102: PRINCIPLES OF AGRICULTURAL MARKETING

DATE: 31/8/2022

TIME: 11.00-1.00 PM

INSTRUCTIONS:

Answer **Question one** and **ANY TWO** other questions.

QUESTION ONE (30 MARKS)

- a) Differentiate between:
- i. Merchant middlemen and agent middlemen (2 marks)
 - ii. Absolute advantage and comparative advantage (2 marks)
 - iii. Vertical integration and horizontal integration (2 marks)
- b) Describe four facilitating functions of an agricultural marketing system (4 marks)
- c) Classify agricultural markets using the following dimensions
- i. Nature 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. Monopolistic markets (3 marks)
 - iii. Oligopolistic markets (3 marks)

QUESTION TWO (20 MARKS)

- a) Describe four elements of a marketing mix (8 marks)
- b) Setting maximum fertilizer prices by the government is good for Kenya. Critique this statement. (12 marks)

QUESTION THREE (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 FOUR (20 MARKS)

- a) Explain five reasons Kenya has not exported some her agricultural products. (10 marks)
- b) You have just developed a new pesticide product. Using an appropriate illustration, explain life cycle your product is likely to go through (10 marks)

QUESTION FIVE (20 MARKS)

- a) Explain five potential benefits of vertical integration in agricultural marketing (10 marks)
- b) Demand for beef in Kenya will not change in the next thirty years. Critique this statement (10 marks)