



**MACHAKOS UNIVERSITY**  
University Examinations for 2022/2023 Academic Year

**SCHOOL OF AGRICULTURE, ENVIRONMENT AND HEALTH SCIENCES**  
**DEPARTMENT OF AGRICULTURAL SCIENCES**

**SECOND YEAR FIRST SEMESTER EXAMINATION FOR**  
**BACHELOR OF SCIENCE AGRICULTURAL EDUCATION AND EXTENSION**  
**BACHELOR OF EDUCATION (SPECIAL NEEDS EDUCATION)**  
**BACHELOR OF EDUCATION (SCIENCE)**

**AGB205: PRINCIPLES OF AGRICULTURAL MARKETING**

**DATE:**

**TIME:**

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**INSTRUCTIONS:** Answer **Question ONE (Compulsory)** and Any other **Two** Questions.

**QUESTION ONE (30 MARKS)**

- a) Classify agricultural markets using the following dimensions:
- i. Location (2 marks)
  - ii. Number of commodities (2 marks)
- b) Giving examples in each case, differentiate between:
- i. Horizontal marketing integration and vertical marketing integration (2 marks)
  - ii. Monopolistic competition and oligopsony (2 marks)
  - iii. Primary cooperative and secondary cooperative (2 marks)
- c) Describe the stages of economic integration (4 marks)
- d) Describe two interests of each subsystem in the marketing system (6 marks)
- e) Explain how the following functions are performed in milk marketing
- i. Exchange functions (4 marks)
  - ii. Physical functions (6 marks)

**QUESTION TWO (20 MARKS)**

- a) Explain why an agricultural firm should regularly monitor its marketing microenvironment (10 marks)
- b) With the aid of a diagram, explain the effect of the following scenarios on equilibrium **price** and **quantity** of rice in a competitive market
- i. Farmers adopt a new high yielding variety while consumer incomes increase (5 marks)
  - ii. Government drastically increases import duty on rice but consumer preference for rice increases (5 marks)

**QUESTION THREE (20 MARKS)**

- a) Explain how you can use the concept of “marketing mix” to improve sales revenue in your agri-enterprise (8 marks)
- b) Suppose the government of Kenya announced maximum prices of fertilizers in the local market. Explain, using a diagram, the potential effects of this policy on marketing of fertilizer in the country (12 marks)

**QUESTION FOUR (20 MARKS)**

- a) Explain how the concept of product life cycle shapes marketing activities (10 marks)
- b) Otieno retired from his job as a Marketing Manager at an agricultural machinery firm and has just been appointed as the Marketing Officer in an NGO that assists smallholder farmers to market horticultural produce. What challenges is Onyango likely to face in marketing of the new products (10 marks)

**QUESTION FIVE (20 MARKS)**

- a) Middlemen only serve to exploit farmers and should therefore be eliminated from agricultural marketing system. Critique this viewpoint (10 marks)
- b) Explain five strategies the government can employ to improve performance of agricultural marketing cooperatives in Kenya (10 marks)