MACHAKOS UNIVERSITY COLLEGE

(A Constituent College of Kenyatta University)
University Examinations 2015/2016

SCHOOL OF AGRICULTURE AND NATURAL RESOURCES MANAGEMENT

DEPARTMENT OF AGRIBUSINESS MANAGEMENT

SECOND SEMESTER EXAMINATION FOR DEGREE IN BACHELOR OF SCIENCE IN AGRICULTURAL EDUCATION AND EXTENSION

BACHELOR OF EDUCATION

KBT 102/ KBT 211: AGRICULTURAL MARKETING

Date: 21/4/2016   Time: 8:30 – 10:30 AM

INSTRUCTIONS

> *This paper consists of FIVE questions*

> *Answer question one and other two questions in this paper*

QUESTION ONE

a)   Classify agricultural markets using the following dimensions: (7 marks)

   i.   Geographical area or coverage

   ii.   Time span

b)   Briefly discuss four elements of a marketing mix   (8 marks)

c)   Discuss the importance of the following functions of an agricultural marketing system

                                                                            (8 marks)

   i.   Storage

   ii.   Packaging

d)   State seven ways in which agricultural markets contribute to Kenya's economic development.   (7 marks)

QUESTION TWO

a) Distinguish between the following types of traders (6 marks)

    i. Merchant middlemen

    ii. Agent middlemen

    iii. Speculative middlemen

b) State five advantages of vertically integrated agricultural marketing systems (5 marks)

c) The Minister for Agriculture in Kenya has imposed a price floor on maize. With the aid of a diagram, explain the effect this policy may have on the welfare of farmers, consumers and the economy. (9 marks)

QUESTION THREE

a) Explain why supply of maize in Kenya may change from time to time (8 marks)

b) Differentiate between the following terms used in international trade (4 marks)

    i. Trade deficit and trade surplus

    ii. Comparative advantage and absolute advantage

c) Discuss the factors that can lead to poor performance of agricultural marketing cooperatives in Kenya (8 marks)

QUESTION FOUR

a) You have just developed a new product and are about to launch it in the market. Illustrate and briefly describe your product's life cycle stages (10 marks)

b) State the law of demand and the law of supply (2 marks)

c) Discuss any two actors in a company's microenvironment (8 marks)

QUESTION FIVE

a) With the aid of a diagram, show how market forces determine the market-clearing price and quantities of beef (10 marks)

b) Discuss five factors that can limit export of Kenya's agricultural commodities

(10 marks)