



# MACHAKOS UNIVERSITY

University Examinations for 2016/2017

SCHOOL OF AGRICULTURE AND NATURAL RESOURCES MANAGEMENT

DEPARTMENT OF AGRIBUSINESS MANAGEMENT

THIRD YEAR FIRST SEMESTER EXAMINATION FOR BACHELOR OF  
AGRIBUSINESS MANAGEMENT

**KBT 312: AGRI-ENTERPRISE DEVELOPMENT**

**DATE: 25/7/2017**

**TIME: 2:00 – 4:00 PM**

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**INSTRUCTIONS:**

**Answer question one and two other questions**

**QUESTION ONE(COMPULSORY) (30 MARKS)**

- a) Define the following terms:
- (i) Forward linkage (2 marks)
  - (ii) Micro-enterprise (2 marks)
  - (iii) Prospect theory (2 marks)
  - (iv) Fabian entrepreneur (2 marks)
  - (iv) Delphi technique (2 marks)
- b) Describe 5 functions of customer relations in Agrienterprise Development in Kenya. (5 marks)
- c) Juma has decided to open a fresh fruit processing business in Kilifi. Advise him on three functions that he shall be required to perform as an entrepreneur. (6 marks)
- d) Differentiate between the following terms as used in entrepreneurship:
- (i) Sequential models and non-sequential models. (2 marks)
  - (ii) Manager and entrepreneur (2 marks)

- (e) An entrepreneur in Nakuru has approached you for advice on possible linkages to maize markets. Advise the entrepreneur on five linkages he can exploit in accessing the market. (5 marks)

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

**QUESTION TWO (20 MARKS)**

- (a) A development agency is planning to set up an agribusiness incubation center in Busia. The County Government of Busia is holding an open public forum on the potential benefits of this facility. Explain five ways entrepreneurs in Busia are likely to benefit from the presence of the agribusiness incubation center in Busia County. (10 marks)
- (b) Describe three components within the mandate of Ministry of Agriculture that facilitate development of agribusiness enterprises. (10 marks)

**QUESTION THREE (20 MARKS)**

- (a) Small businesses have the potential of creating development in the rural areas of Kenya. Using maize as an enterprise describe five ways on how it contributes to rural development. (10 marks)
- (b) Ali Noor has sought your assistance as the owner of a dairy enterprise to write up a business plan for his dairy enterprise. Provide an outline of the contents of the business plan. (10 marks)

**QUESTION FOUR (20 MARKS)**

- (a) Describe four important questions that guide an entrepreneur in setting up a control and evaluating system. (8 marks)
- (b) As an entrepreneur in a small-scale agribusiness describe three forecasting techniques that would be applicable to your business. (6 marks)
- (c) Mary is an entrepreneur in agribusiness in Machakos. As an agribusiness officer explain to her the three types of decision that she is going to make in running her agribusiness enterprise. (6 marks)

**QUESTION FIVE (20 MARKS)**

- (a) An entrepreneur in Kenya has approached you for advice on opening a small-scale business in Kenya. Describe the process that he will be required to follow in registering his small business in Kenya. (10 marks)
- (b) Describe five challenges that are faced by small scale enterprises in accessing credit in Kenya. (10 marks)