



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF AGRICULTURAL SCIENCES

DEPARTMENT OF AGRIBUSINESS MANAGEMENT AND TRADE

THIRD YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF SCIENCE IN AGRIBUSINESS MANAGEMENT

AGB 403: PROJECT MANAGEMENT IN AGRIBUSINESS

DATE: 13/11/2020

TIME: 8.30-10.30 AM

INSTRUCTIONS:

Answer question one and any other two questions B

Section A (30 MARKS)

QUESTION ONE (30 MARKS)

- a) Define the following terms:
- i. Project (1 mark)
 - ii. Milestones (1 mark)
 - iii. Monitoring (1 mark)
 - iv. Sensitivity analysis (1 mark)
- b) Explain three factors considered in characterization of agricultural projects (3 marks)
- c) Explain the difference between economic and financial analysis in project management (2 marks)
- d) Describe three methods used in impact assessment of agriculture projects (3 marks)
- e) (i) Explain three techniques in evaluation of an agriculture project (3 marks)
(ii) Describe two aspects of agricultural projects evaluation (4 marks)
- f) (i) Describe three sources of conflicts in problem management (3 marks)
(ii) Explain three ways of resolving conflicts in projects (3 marks)
- g) (i) Describe three types of costs in agricultural projects (3 marks)
(ii) Explain two strategies for reducing costs in agricultural projects (2 marks)

QUESTION TWO (20 MARKS)

- a) (i) Describe five stages in management of agricultural project (5 marks)
(ii) Explain five attributes of an agricultural project (5 marks)
- b) (i) Explain three types of land valuation in agricultural project (6 marks)
(ii) Gulu Ltd is considering buying a machine costing sh,100,000.there are two options machine A and B. Calculate the payback period and advice which machine to purchase (4 marks)

Year	Machine A	Machine B	
1	50,000	30,000	
2	50,000	40,000	
3	20,000	60,000	

QUESTION THREE (20 MARKS)

- a) Explain four reasons why agricultural projects are initiated (4 marks)
- b) Explain three constraints to implementing of agricultural projects (6 marks)
- c) Describe the stages in project impact assessment in agricultural projects (10 marks)

QUESTION FOUR (20 MARKS)

- a) Explain the three advantages project evaluation review technique (PERT) (6 marks)
- b) An agricultural project has a list of tasks to be performed whose times estimates are given in the table below:

	Activity name	T0	tm	tp
1-2	A	4	6	8
1-3	B	2	3	10
1-4	C	6	8	16
2-4	D	1	2	3
3-4	E	6	7	8
3-5	F	6	7	14
4-6	G	3	5	7
4-7	H	4	11	12
5-7	I	2	4	6
6-7	J	2	9	10

- i. Draw project network (5 marks)
- ii. Find the critical path (3 marks)
- iii. Find the probability that the project is completed in 19 days (3 marks)
- iv. Assuming that the probability is less than 20% find the probability of completing the project in 24 days (3 marks)

QUESTION FIVE (20 MARKS)

- a) (i) Average price of an egg is sh.20 and during the previous season Dole Farm sold 500 trays of eggs .Based on financial sensitivity analysis if customer traffic increases by 10% then sales increases by 7%.Determine the sales made by an adjustment in sales traffic by 20%, 40% and 100% through sensitivity analysis. (5 marks)
- (ii) Explain advantages of performing sensitivity analysis in agriculture projects (5 marks)
- b) Describe five stages in an agricultural project cycle (10 marks)