



MACHAKOS UNIVERSITY

University Examinations 2018/2019

SCHOOL OF AGRICULTURAL SCIENCES

DEPARTMENT OF AGRIBUSINESS MANAGEMENT AND TRADE

THIRD YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF SCIENCE IN AGRIBUSINESS MANAGEMENT AND TRADE

AGB 206: AGRICULTURAL COOPERATIVE MANAGEMENT

DATE: 18/4/2019

TIME: 2:00 – 4:00 PM

INSTRUCTIONS: Answer question ONE and any other TWO questions

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Define the following economic terms:
- i) Bylaws (2 marks)
 - ii) Preferred shares (2 marks)
 - iii) Solvency ratio (2 marks)
- b) Explain five objectives of agricultural producer cooperative society in Kenya (5 marks)
- c) The feeling of ‘ high’ or ‘low’ among members of the community act as a cause of social tensions, explain how cooperatives can be used to solve this problem. (6 marks)
- d) Cooperatives are autonomous and independent organizations controlled by the members and they are as independent of government and private firms as possible. Explain this statement in relation to developing countries like Kenya. (5 marks)
- e) Savings and credit cooperative societies have been found to be doing so well in Kenya. Explain three reasons why every Kenyan should join this movement. (3 marks)

QUESTION TWO (20 MARKS)

- a) Explain five differentiated producer pricing strategies in cooperative management (10 marks)
- b) The cooperative can borrow debt capital, e.g. from banks. Discuss five reasons why banks hesitate to advance funds to local cooperatives. (10 marks)

QUESTION THREE (20 MARKS)

- a) Explain the cooperatives by ownership structure (6 marks)
- b) When an urgent matter occurs in a cooperative society before an annual general meeting is due, a special general meeting (SGM) may be called. Explain the procedure and reason for such meeting (9 marks)
- c) Once a cooperative has been registered, it is required to hold its' first general meeting within one month of receiving the certificate of registration from the commissioner. Explain why this should be adhered to. (5 marks)

QUESTION FOUR (20 MARKS)

- a) Explain four principles of cooperatives (8 marks)
- b) Starting a cooperative is a complex undertaking in comparison with a project starting with a small group of producers discussing a common problem and developing an idea of how to solve it. Discuss the number of meetings required in this process and the reason for each meeting (12 marks)

QUESTION FIVE (20 MARKS)

- a) Explain five roles of women in local cooperatives development. (10 marks)
- b) Managing conflicts in farmer cooperatives is one of the management toughest issues. Discuss principals of conflict resolution in cooperatives (10 marks)