



MACHAKOS UNIVERSITY

University Examinations for 2022/2023 Academic Year

SCHOOL OF AGRICULTURE, ENVIRONMENT AND HEALTH SCIENCES

DEPARTMENT OF AGRICULTURAL SCIENCES

**FOURTH YEAR FIRST SEMESTER EXAMINATION FOR BACHELOR OF
SCIENCE IN AGRIBUSINESS MANAGEMENT AND TRADE**

AGB 403: AGRICULTURAL PROJECT MANAGEMENT

DATE:

TIME:

INSTRUCTIONS: Answer Question ONE (Compulsory) and any other TWO questions

QUESTION ONE (30 MARKS)

- a) Differentiate between the following terms as used in project management
 - i) a program and a project (4 marks)
 - ii) economic and financial project appraisal (4 marks)
- b) Explain five attributes of a good project manager (5 marks)
- c) Explain five reasons why an agricultural project may fail (5 marks)
- d) Explain three dimensions of the performance of a project and their interrelation (6 marks)
- e) Suppose an agribusiness entrepreneur seeks your advice on two viable projects, Project A and B, with the following cash flows:

Year (t)	Expected net cash flows (CF _t) in Ksh	
	Project A	Project B
0 (investment)	(1,000)	(1,000)
1	500	100
2	400	300
3	300	400
4	100	600

Assuming a 10% cost of capital and that projects are mutually exclusive. Apply the net present value (NPV) approach and advise the entrepreneur on which project to undertake (6 marks)

QUESTION TWO (20 MARKS)

- a) Describe the main phases of the project development cycle (10 marks)

- b) Describe the main steps in preparing a project schedule (10 marks)

QUESTION THREE (20 MARKS)

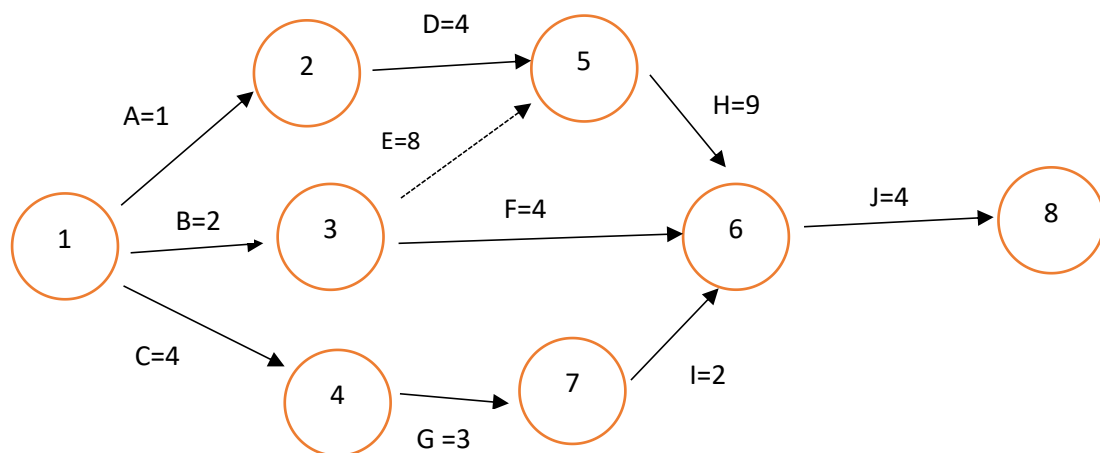
- a) Describe how to conduct a feasibility study of an agricultural project (10 marks)
- b) Describe the components of a Log frame as applied in project planning, using necessary illustrations (10 marks)

QUESTION FOUR (20 MARKS)

- a) Describe four evaluation types that are used to evaluate project performance (8 marks)
- b) Systematically describe the method of cost-benefit analysis as applied in project appraisal (12 marks)

QUESTION FIVE (20 MARKS)

- a) Describe five strategies for effective negotiation in project management (10 marks)
- b) Given the flow diagram of a project below:



- i) Identify and explain concurrent activities (3 marks)
- ii) Identify and explain dummy activity (3 marks)
- iii) Explain and determine the critical path of the project (4 marks)