MACHAKOS UNIVERSITY

University Examinations for 2020/2021 Academic Year

SCHOOL OF AGRICULTURAL SCIENCES

DEPARTMENT OF AGRIBUSINESS MANAGEMENT AND TRADE

FIRST/SECOND YEAR SPECIAL/ SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF SCIENCE IN AGRICULTURAL EDUCATION AND EXTENSION

BACHELOR OF SCIENCE AGRIBUSINESS MANAGEMENT AND TRADE

AGB 205/KBT102   PRINCIPLES OF AGRICULTURAL MARKETING

DATE: 26/03/2021   **TIME: 2.00-4.00 PM**

INSTRUCTIONS;

Answer **Question one** and **ANY TWO** other questions.

QUESTION ONE (30 MARKS)

a)   Differentiate between:

      i.   The law of demand and the law of supply   (2 marks)

      ii.   Absolute advantage and comparative advantage   (2 marks)

      iii.   Vertical integration and horizontal integration   (2 marks)

      iv.   Merchant middlemen and agent middlemen   (2 marks)

b)   State three facilitating functions of an agricultural marketing system   (3 marks)

c)   Classify agricultural markets using the following dimensions

      i.   Number of commodities   (2 marks)

      ii.   Geographical location   (3 marks)

d)   Expound on three factors that have been associated with poor performance of agricultural marketing cooperatives in Kenya   (6 marks)

e)   Describe with examples from Kenya:

    i.   Perfectly competitive markets   (3 marks)

    ii.   Imperfect markets   (5 marks)

QUESTION TWO (20 MARKS)

a)   Describe four elements of a marketing mix   (8 marks)

b)   Explain why an agribusiness firm should manage its marketing macroenvironment (12 marks)

QUESTION THREE (20 MARKS)

a)   Maziwa Farm has been buying milk from individual dairy farmers for processing. Suppose the farmers organize themselves into producer groups and are contracted by Maziwa Ltd to supply them with milk. Explain five potential benefits of this marketing arrangement   (10 marks)

b)   You have just developed a new sausage product. Using an appropriate illustration, explain life cycle your product is likely to go through   (10 marks)

QUESTION FOUR (20 MARKS)

a)   Expound on four goals of the World Trade Organization   (8 marks)

b)   Setting minimum commodity prices by the government is good for maize marketing in Kenya. Critique this statement.   (12 marks)

QUESTION FIVE (20 MARKS)

a)   Explain five reasons Kenya has not exported some her agricultural products.   (10 marks)

b)   Demand for tomatoes in Kenya will not change over the next 20 years. Critique this statement

(10 marks)