



MACHAKOS UNIVERSITY

University Examinations for 2021/2022 Academic Year

SCHOOL OF AGRICULTURAL SCIENCES

DEPARTMENT OF AGRIBUSINESS MANAGEMENT AND TRADE

FOURTH YEAR FIRST SEMESTER EXAMINATION FOR

BACHELOR OF SCIENCE (AGRIBUSINESS MANAGEMENT AND TRADE)

AGB 206: AGRICULTURAL COOPERATIVE DEVELOPMENT AND
MANAGEMENT

DATE: 10/12/2021

TIME: 11:00 – 1:00 PM

INSTRUCTIONS

Answer Question ONE and any other TWO questions

QUESTION ONE (30 MARKS)

- a) Define the following terms as used in cooperative development
- i. A cooperative (1 mark)
 - ii. Share (1 mark)
 - iii. Limited liability (1 mark)
- b) Explain four theories relevant in development of institutional structure of a cooperative. (4 marks)
- c) Explain four obstacles of cooperative development in Kenya (4 marks)
- d) Explain four roles of management committee of a cooperative (4 marks)
- e) Explain four forms in which agricultural cooperative make actual payment to members. (4 marks)
- f) Explain four principles of conflict resolution in a farmer cooperative (4 marks)
- g) Describe seven principles of cooperative development and management as authenticated by International Cooperative Alliance (ICA) (7 marks)

QUESTION TWO (20 MARKS)

- a) With necessary illustration and example in each case, describe four-tier system of cooperative movement in Kenya (10 marks)
- b) Describe two planning tools useful for strategic management for a cooperative, citing examples (10 marks)

QUESTION THREE (20 MARKS)

- a) Describe the components of by-laws of an agricultural cooperative (10 marks)
- b) Explain five inventory management strategies used by agricultural cooperatives. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Describe five regulations that govern the operations of cooperatives in Kenya (10 marks)
- b) Describe five characteristics that distinguish a cooperative from a company (10 marks)

QUESTION FIVE (20 MARKS)

- a) Explain five importance of agricultural cooperatives in development of value chains in Kenya (10 marks)
- b) The county government of Kericho intends to support maize farmers form a cooperative to address various challenges facing them. Describe how to establish such a cooperative (10 marks)