



MACHAKOS UNIVERSITY

University Examinations for 2015/2016 Academic Year

SCHOOL OF AGRICULTURE AND NATURAL RESOURCES MANAGEMENT

DEPARTMENT OF AGRICULTURAL EDUCATION AND EXTENSION

**Supplementary/Special Exams Third Year First Semester Examination for Bachelor of
Science in Agribusiness management**

KTB 312: AGRI-ENTERPRISE DEVELOPMENT

Date: 2/8/2016

Time: 2.00-4.00 PM

Instructions: Answer ALL questions in section A and ANY TWO questions in section B

Section A: 30 MARKS

Question 1:

a) Define the following terms:

(i) Fiber system (2 marks)

(ii) Customer relations (2 marks)

(iii) Ancillary unit (2 marks)

(iv) Cash rental services (2 marks)

(v) Market orientation (2 marks)

b) (i) Explain three functions of an agri-entrepreneur in a wheat business in Nakuru (3 marks)

(ii) Describe two types of customer relations that can be used by a dairy farm in Nyahururu (2 marks)

c) (i) Describe the two sources of capital for Barley agri-enterprise in Narok (2 marks)

(ii) Explain the difference between sequential and non sequential decision making models (3 marks)

d) (i) Outline three documents needed for registering a small business in Kenya (3 marks)

(ii) Describe two types of budget found within a small horticulture business (2 marks)

e) (i) Explain the reason why an Agri-enterprise requires a business plan (3 marks)

(ii) Outline two Institutions that support agribusiness in Kenya (2 marks)

SECTION B: 40 MARKS

Question 2:

- (a) Describe how agrarian revolution has contributed to development of agri enterprises in Kenya(10 marks)
- (b)Outline five steps involved in the rational decision making process (10 marks).

Question 3:

- (a) Explain five advantages of social groups as source of financing Agri enterprises in Kenya (10marks)
- (b) Describe five areas of characteristics of an entrepreneur in relation to Agri enterprises in Kenya (10 marks).

Question 4(20 marks)

- (a) Outline five stages followed by an entrepreneur in making decisions in a fruit farm (10 marks)
- (b) Discuss the role of customer relations in a rabbit business in Nyeri (10 marks).

Question 5:

- (a) Discuss the challenges to using business incubators in Kenya. (10 marks)
- (b) Describe five constituents of working capital (10 marks)