

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE

BCOM 426: MARKETING AND SOCIETY

STREAMS: BCOM Y4S1

TIME: 2 HOURS

DAY/DATE: THURSDAY 23/09/2021

2.30 P.M – 4.30 P.M.

INSTRUCTIONS:

- **SECTION A-QUESTION ONE (1)- IS COMPULSORY**
- **SECTION B-ANSWER ANY OTHER TWO QUESTIONS**

QUESTION ONE (1)- IS COMPULSORY (30 MARKS)

Kenya's food imports bill surges to record Sh103bn

Kenya's food import bill hit a record high in the six months to June, piling pressure on household budgets that have already been ravaged by the Covid-19 pandemic, the latest official data shows.

Import data tracked by the Kenya Revenue Authority (KRA) shows traders ordered food — including live farm animals for slaughter and breeding— and beverages valued at Sh103.34 billion between January and June this year.

This is Sh12.35 billion, or 13.57 percent, more than the Sh91 billion that was spent on food imports in a similar period last year, according to the data collated by the Kenya National Bureau of Statistics (KNBS).

The expenditure on food imports in the half-year period is even higher than the Sh96.41 billion that was spent in the first half of 2017 when a biting drought hurt crop and fodder production hit —triggering a national crisis that forced the Treasury to allow subsidies and waiver of import duties to smooth purchase of key food items such as maize, rice and milk powder from abroad.

Analysts attributed the latest rally in the food import bill to enhanced shipments of items such as grain and cereals to cover for production shortfalls locally on the back of late planting in the

March-April-May main crop season and a weakened local currency against the US dollar, which meant importers paid more.

Data shows there has been enhanced importation of Kenya's major foods such as maize, unmilled wheat, and wheat flour and rice this year— contributing to the bigger import bill. For example, maize imports from Uganda and Tanzania in the first five months of the year jumped nearly two-fold to cross 1.38 million 90-kilogramme bags from 495,813 bags last year, according to the Ministry of Agriculture's data.

Wheat imports in the January-May 2021 period also increased 12.30 percent to 9.1 million 90-kg bags from 8.1 million bags last year, while rice volumes bumped 92.71 percent to 2.4 million 90-kg bags from nearly 1.25 million bags.

A similar trend was witnessed in beans imports, which climbed to 287,031 bags in the review period from 215,014 bags, a 33.49 percent growth, the ministry's data shows.

Several parts of the country have witnessed below average rainfall, with some areas suffering famine for much of this year.

Authorities have warned the country's food security situation could worsen in the North-Eastern region in the coming months should the upcoming short rainfall season (from October) record below-average performance.

"We are already transitioning from the alert to alarm phase, and should the upcoming October rains also fail, then Kenya will be facing a very grave emergency indeed," Dr Stephen Jackson, the UN Resident Coordinator in Kenya, told a meeting to discuss the drought situation in Nairobi last week.

The number of people, largely in northern Kenya, battling food insecurity has increased to 2.1 million in August from 1.4 million in February, according to the estimates by the United Nations.

Kenya estimates it requires Sh9.4 billion between August and November to tackle the drought situation in the hardest-hit counties, comprising Sh5.8 billion for food and Sh3.6 billion for non-food needs such as sanitation.

"If we can put in place remedial measures now, we can cushion those vulnerable families that are facing this drought because experts are telling us unless we do that, the situation is likely to worsen," Devolution Cabinet Secretary said.

"From September to December we are likely to see more counties going into the red."

The National Drought Management Authority (NDMA) last week issued a severe drought alert for Kilifi, Laikipia Kitui, Isiolo, Mandera, Samburu, Tana River, Lamu, Wajir, Garissa, Marsabit, and Turkana counties, citing depressed harvests and dried-up water points.

Other 11 counties—Nyeri(Kieni), Meru, West Pokot, Embu, Tharaka Nithi, Taita Taveta, Narok, Baringo, Kajiado, Makueni, and Kwale— are facing normal drought phase, the authority said.

The impact of the expensive food imports is already being felt among Kenyan households amid rising inflation.

Food inflation for July, for example, stood at 8.8 percent, the highest since May 2020 at the height of Covid shutdowns and travel restrictions, pushed by prices of cooking oil and vegetables, according to Central Bank of Kenya analysis.

QUESTION ONE

REQUIRED.

A.). How can the marketing and society strategies be applied to this situation. (10 Marks)

B.). What information does the house holds require in order to make a decision on food sustainability. (10 Marks)

C.). Explain the actions you would recommend regarding Kenyan house holds. (10 Marks)

SECTION B-ANSWER ANY OTHER TWO QUESTIONS

QUESTION TWO

A.).As a marketing consultant, prepare a paper entitled, corporate social responsibility’ to delegates attending a research conference in chuka university. (10 Marks)

B.).As a marketing consultant, prepare a presentation entitled, Food labels in Fast moving consumer goods industries in Kenya. (10 Marks)

QUESTION THREE

A.).As a marketing manager at K.C.B, Discuss the objectives of societal marketing concepts, during the Bank’s management meeting. (10 Marks)

B.).Discuss the role of business organizations in consumer movements in Kenyan economy. (10 Marks)

QUESTION FOUR

A.).As a marketing manager at Bamburi Portland cement, discuss how the company will incorporate green marketing near the company’s plant. (10 Marks)

B.).Discuss some chemical hazards consumers are likely to face in the trade. (10 Marks)
