

CHUKA



UNIVERSITY

**UNIVERSITY EXAMINATIONS**

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF  
COOPERATIVE MANAGEMENT**

**BCOP 121: COOPERATIVE PRODUCT DEVELOPMENT**

**STREAMS: BCOP Y1S2**

**TIME: 2 HOURS**

**DAY/DATE: TUESDAY 30/03/2021**

**2.30 P.M – 4.30 P.M**

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**INSTRUCTIONS:**

**Answer question one and any other two questions**

**QUESTION ONE**

(a) Members of a community are interested in joining cooperatives since they know that cooperatives adhere to its values and principles that make their operation efficient. Discuss the different types of cooperatives they can join and the principles that guide cooperatives. [12 marks]

(b) Chuka University Sacco decided to hold its annual general meeting to report on its financial status, credit policy and the different types of loan products they offer. In view of this

(i) Explain the different types of loan products offered by this Sacco. [8 marks]

(ii) Discuss the five “Cs” required by this Sacco before granting the loan.

[10 marks]

## QUESTION TWO

- (a) For cooperative to survive in the market they need to be innovate in order to out perform their competitors. As a result of this cooperatives decided to come up with new products.
- (i) Describe the reasons why cooperatives decided to develop new products. [6 marks]
- (ii) Explain the process that this new products will go through. [14 marks]

## QUESTION THREE

- (a) Mwalimu Sacco decided to increase its products in order to maintain competitive advantages in the market. They came up with new products that were not there and therefor have appointed you to advise them on the methods they can use to price the new products. Explain the methods of pricing that mwalimu Sacco will use. [10 marks]
- (b) Describe the segmentation strategies that cooperatives will apply when dividing their customer markets. [10 marks]

## QUESTION FOUR

- (a) A cooperative decided to carry out a marketing research to find out why their products are not doing well in the market. Explain the process that this cooperative will undergo when carrying out this research. [10 marks]
- (b) Cooperatives do not operate in a vacuum. They operate within an environment and the environment possess certain threats and opportunities to cooperatives. Explain the external force of the environment that affect cooperatives. [10 marks]
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