

**CHUKA**



**UNIVERSITY**

**UNIVERSITY EXAMINATIONS**

**EXAMINATION FOR THE AWARD OF MASTER OF BUSINESS  
ADMINISTRATION IN COOPERATIVE MANAGEMENT**

**MBAD 821: COOPERATIVE MANAGEMENT**

**STREAMS: MBAD**

**TIME: 3 HOURS**

**DAY/DATE: TUESDAY 06/04/2021**

**8.30 A.M. – 11.30 A.M.**

**INSTRUCTIONS: Answer ALL questions. Don't write anything on this question paper**

**QUESTION ONE**

**Kenya Dairy Cooperative Society Limited**

Kenya Dairy Cooperative Society (KDCCS) is a State cooperative organization offering help in collection, transportation, processing and marketing of dairy produce, provision of farm inputs, mobilization of savings and provision of credit to members. The cooperative has its headquarters in Nairobi, which directs the activities of eight cooperative branch offices located in major Counties in Kenya. The headquarters has a range of senior line managers and researchers, all of whom have served for a number of years in the cooperative movement. Each branch is headed by a cooperative branch manager, who usually has four or five direct reports, from marketing leader, Credit leader, Research and product Development leader, etc.

Society's financial management involves proper loan administration, making optimal financial decisions and adhering to good cooperative governance. The management committee of this society ensures that loans granted are secure and repaid accordingly to the agreed terms. The cooperative society's policy on matters of lending, prefers to abide by the good principles of lending. Any loan issued should be comply with the by-laws approved by the cabinet committee and not influenced by any person. The loan is not granted to a member if the conditions of loan system are not fulfilled.

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Research and Development Manager believes that in this age of competition in cooperative movement, it is necessary to put in place effective cooperative management that combines ideas, processes, materials, facilities, and people to effectively provide the needed services to cooperative members. The manager has further recommended that the basis of the cooperative legislation or legal framework for cooperatives should be influenced by international cooperative standards. It has also been agreed that senior line managers must at all times ensure that the cooperative society maintains strategic policies and procedures that are regularly communicated and provided to all offices and cooperative branches.

### REQUIRED

- (a) Explain the possible objectives of Kenya dairy cooperative Society (10 marks)
- (b) Discuss the reasons why this society prefers to abide by good principles of lending (10 marks)
- (c) Explain why legal framework for this cooperative society should be influenced by international cooperative standards (10 marks)
- (d) Discuss the importance of effective cooperative management to this cooperative society. (10 marks)

### QUESTION TWO

A group of dairy farmers in your county have shown interest to form a cooperative society. The interim officials have approached you to make a presentation to members on certain cooperative matters. In your presentation:

- (a) Analyse the steps the group should follow in the formation of their cooperative society (10 marks)
- (b) Identify and discuss the main features that distinguish Cooperative enterprises from other business forms (10 Marks)

### QUESTION THREE

- (a) Critically analyze the role of SACCO Societies Regulatory Authority (SASRA) in enhancing effective and efficient supervision of SACCO operations (10 marks)
- (b) Explain why individuals prefer taking loans from a cooperative society. (10 marks)

**QUESTION FOUR**

- (a) Discuss the reasons why the government through its agencies should be involved in cooperative movement activities in a country. (10 marks)
- (b) Although dairy cooperatives play important role in national development they face a challenge of gross mismanagement. Discuss (10 marks)
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