

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF
AGRICULTURE ECONOMICS, AGRICULTURE EDUCATION AND EXTENSION
AND AGRIBUSINESS MANAGEMENT**

AGEC 331: AGRICULTURE MARKETING

STREAMS: AGED AND AGRIC Y4S2

TIME: 2 HOURS

DAY/DATE: THURSDAY 12/04/2018

11.30 A.M. – 1.30 P.M.

INSTRUCTIONS:

- **Question one is compulsory (section A), then select Three others from section B.**

SECTION A: (25 MARKS)

QUESTION ONE

- Biological characteristics largely affect the marketing of agricultural commodities in a big way. Explain how the sector can overcome this challenge in order to improve the marketing. (8 marks)
- Discuss the importance of agricultural markets to an economy. (6 marks)
- Differentiate the following terms:
 - Value addition (2 marks)
 - Value chain (2 marks)
 - Processing (2 marks)
- Discuss various types of public goods affecting the environment in agribusiness firms. (5 marks)

QUESTION TWO

- (i) Production technologies have largely improved the production and marketing of agricultural commodities. Discuss show Kenya can benefit from adopting technology in agriculture marketing. (8 marks)
- (ii) Explain the reason why a country may require a marketing policy. (7 marks)

QUESTION THREE

- (i) Before going abroad a company must weigh several risks and answer many questions about ability to operate globally. Discuss this statement in relation to agriculture marketing. (6 marks)

- (ii) Anita consumes fruits according to the following consumption function:

$$Q_{Anita} = 60 - 0.35P_{mango}$$

- (a) Calculate the inverse demand function. (2 marks)
- (b) Calculate Susan's mango demand if the price of beef is ksh 10. What if its ksh. 5? (2 marks)
- (iii) Explain forward linkages and backward linkages in marketing. (5 marks)

QUESTION FOUR

- (i) Explain the characteristics of Kenya's agricultural markets. (5 marks)
- (ii) Discuss the importance of marketing channels to agriculture. (4 marks)
- (iii) Discuss the importance of agriculture market extension. (6 marks)

QUESTION FIVE

- (i) Explain the effects of culture on agriculture marketing. (8 marks)
 - (ii) Using a diagram demonstrate consumer surplus as indicated in agricultural markets. (4 marks)
 - (iii) Explain the role of prices in marketing. (3 marks)
-