
CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF MASTER
OF AGRICULTURAL ECONOMICS**

AGEC 835: AGRICULTURAL PROJECT ANALYSIS

STREAMS: MSC (AGEC)

TIME: 3 HOURS

DAY/DATE: FRIDAY 07/12/2018

8.30 A.M. – 11.30 A.M.

INSTRUCTIONS: Answer question ONE and any other TWO questions

QUESTION ONE

- (a) Differentiate between investment expenditure and production expenditure in agricultural projects [3 marks]
- (b) Explain the difference between net present value and benefit cost methods of evaluating and prioritizing projects [3 marks]
- (c) Briefly discuss how the internal rate of return is calculated [3 marks]
- (d) Distinguish between financial and economic analysis of agricultural projects [3 marks]
- (e) Briefly discuss the three main area covered by a project proposal [3 marks]
- (f) Explain the important of indicators in logical framework matrix [3 marks]
- (g) Explain the difference between project monitoring and project evaluation [2 marks]

QUESTION TWO

Members of a women group in Tharaka Nithi County have requested for assistance in identifying a viable income generating project in agriculture. Explain the areas of a relevant advice including:

- (a) The sources of information that can assist them in select a viable project [10 marks]

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- (b) The types of project plans they should prepare before implementing the identified project [10 marks]

QUESTION THREE

- (a) Rice farmers in Kirinyaga County have proposed a joint project of investing in a processing plant to add value and also increase the shelf-life of their products. The farmers have requested for advice on the use of the logical framework analysis method of project design and analysis. Prepare a detailed presentation that can help them to collect the information required in preparing a logical framework matrix [10 marks]
- (b) Explain the advantages of using the logical framework analysis in developing country agriculture projects [10 marks]

QUESTION FOUR

- (a) Isiolo county government proposes to revive a camel slaughtering abattoir that served the area during colonial times but stalled in 1970s. The local people claim that the project failed because of poor planning and analysis. Discuss the criteria you would to conduct an appraisal of the proposed project in order to increase its chances of success and prevent yet another failure [10 marks]
- (b) What monitoring mechanisms would you put to monitor the progress of the project during the implementation stage. [10 marks]

QUESTION FIVE

- (a) Analyze any five reasons behind the success of the project concept in agricultural development analysis. [10 marks]
- (b) Explain any five reasons why agricultural projects fail and enumerate the policy actions that can be taken to prevent each of these failures [10 marks]
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