KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2010/2011

INSTITUTIONAL BASED PROGRAMME (IBP) – DECEMBER SESSION

EXAMINATION FOR THE DEGREE OF BACHELOR OF EDUCATION

KBT 100: PRINCIPLES OF AGRIBUSINESS ECONOMICS

DATE: Wednesday, 27th April, 2011 TIME: 11.00 a.m. – 1.00 p.m.

INSTRUCTIONS:

Answer question **ONE** and any other **TWO** questions.

1. a) Why is farm management considered and economic problem? (5 marks)

   b) What is market concentration and what effect does it have on market conduct? (5 marks)

   c) What is cross price elasticity of demand? If cross price elasticity of demand is 1.5, what would that mean? (5 marks)

   d) The rapid pace of change in the society today necessitates the redefinition of the term agriculture. How would you define agriculture today and who are the main actors in the agricultural sector? (5 marks)

   e) List five factors that are likely to affect the demand of maize in Kenya. (5 marks)

   f) Citing an appropriate example, explain the meaning of economies of scope. (5 marks)

   g) A bank loan is NOT an example of capital as a factor of production. Do your agree or disagree? Explain briefly. (5 marks)

   h) With appropriate example(s) explain what you understand by the term opportunity cost. (5 marks)

2. Discuss why agricultural production is considered time dependant.

(15 marks)

3. “Even the best products do not sell themselves”. This shows the need for effective marketing communication so that the consumers remain aware of products and services available in the market.

   i) List the five main objectives of marketing communication. (5 marks)

   ii) Describe four forms of marketing communication (10 marks)

4. a) List the main types of agricultural cooperatives found in Kenya.

   (4 marks)

   b) List the major problems that the agricultural cooperatives face today?

   (3 marks)

   c) Discuss the main goals of a good market performance. (8 marks)