KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2011/2012

INSTITUTIONAL BASED PROGRAMME (DECEMBER SESSION)

EXAMINATION FOR THE DEGREE OF MASTER OF SCIENCE

(AGRIBUSINESS MANAGEMENT AND TRADE)

KBT 529: AGRIBUSINESS PLANNING AND CONTROL STRATEGY

DATE: WEDNESDAY, 2ND MAY 2012 TIME: 2.00 P.M – 5.00 P.M

INSTRUCTIONS:

Answer question ONE and any other THREE (3) Questions

1. (a) Explain why firms can have a healthy profit but experience cash flow problems [5 marks]

   (b) Critically examine how the basic financial statements interrelate. [5 marks]

   (c) Using appropriate examples describe the main components of a market plan [5 marks]

   (d) Outline the key stages of a decision making model. [5 marks]

   (e) Describe briefly various methods that can be used to estimate the cost function. [5 marks]

2. (a) Define account payable, net income and retained earnings. Explain why retained earnings are transferred to owners' equity on the balance sheet after they are calculated. [5 marks]

   (b) Discuss various financial performance measures [10 marks]

3. (a) Justify possible actions that can be taken when problems are identified in the Cash budget. [5 marks]

   (b) Using appropriate examples examine the different techniques of capital budgeting. [10 marks]

4. (a) Discuss the relevance of Tows Matrix in strategic planning process. [5 marks]

   (b) Manages make strategic, tactical and operational decisions. Critically examine these decisions and give examples of each. [10 marks]

5. (a) Examine actions that an agribusiness firm could take to improve the Net Profit ratio and Current Ratio. [5 marks]

(b) Evaluate key skills of an effective manager. [5 marks]

6. (a) Assess how an industry can become increasing difficult for firms to survive by relying on Porter's Five-Forces of Competition. [5 marks]

(b) Identify users of financial information and describe how each would use that information [10 marks]