



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2013/2014

**FIRST YEAR FIRST SEMESTER EXAMINATIONS FOR THE
DEGREE OF BACHELOR OF SCIENCE IN AGRIBUSINESS
MANAGEMENT WITH INFORMATION TECHNOLOGY
(MAIN CAMPUS)**

**AAB 101: INTRODUCTION TO AGRIBUSINESS
MANAGEMENT**

Date: 28th November, 2013

Time: 2.30 - 4.30 p.m.

ANSWER TWO QUESTIONS. TIME 2 HOUR.

SECTION A. Answer all questions

1. a. Describe four management skills required for agribusiness management (10 marks)
b. As an agribusiness manager, highlight the steps you will follow when making the firms decisions (10 marks)

2. a. Describe the nine marketing functions and the barriers to consumer satisfaction they help to control (10 marks)

b. Identify three major production decisions that an agribusiness manager faces (10 marks)

SECTION B. Answer Two questions

3. A firm expects to sell 20,000 bags of seeds in the coming year at a price of 125/- per bag when the variable cost is 75/-. If the firms overall fixed cost is 750,000/-
 - a. How many bags does the firm need to break even (6 marks)

 - b. If the required profit percentage is 10%, determine the breakeven point in Kenya shillings. (6 marks)

4. a. With the aid of suitable examples, describe four types of utilities that are important to a consumer (4 marks)
b. What are the characteristics of a good manager (4 marks)
c. Identify and describe the requisite for success of modern business (7 marks)

5. As consultant hired by the Ministry of Agriculture on project development, prepare a presentation that you would make for a conference on agricultural development projects. (15 marks).

6. Study the following question and answer the questions that follow.

Year	Cost in KSh	Returns KSh
1	25000	-
2	4250	10260
3	4792	12550
4	5368	14530
5	5975	16275
6	6456	19396
7	7187	21470

- a. Assuming 12 % interest rate, work out the NPV, BCR and IRR. (12 Marks)
- b. What can you say about the viability of the project. (3 Marks)