



UNIVERSITY OF EMBU

2016/2017 ACADEMIC YEAR

FIRST SEMESTER EXAMINATION

FIRST YEAR EXAMINATION FOR THE DEGREE OF BACHELOR OF SCIENCE

(AGRICULTURAL EDUCATION AND EXTENSION)

ACP 018: ENTREPRENEURSHIP IN AGRICULTURE

DATE: NOVEMBER 30, 2016

TIME: 8:30-10:30AM

INSTRUCTIONS:

Answer Question ONE and ANY other TWO Questions

QUESTION ONE (30 MARKS)

Write brief notes on the following

- a) Entrepreneur process. (4 marks)
- b) Opportunity identification and evaluation (4 marks)
- c) Window of opportunity (4 marks)
- d) Developing a business plan (4 marks)
- e) Risk lover and risk averse (4 marks)
- f) Percentage return on capital (4 marks)
- g) Product value addition and profit (6 marks)

QUESTION TWO (20 MARKS)

- a) Explain the importance of the following to entrepreneur: Price, Product, Place, Promotion. (10 marks)
 - b) Management by objective (MBO) (4 marks)
 - c) Explain the significance of the phrase “caveat emptor” and “caveat venditi” for entrepreneur. (6 marks)
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QUESTION THREE (20 MARKS)

- a) Explain the following:
- i) Partial budget (4 marks)
 - ii) Break-even budget (4 marks)
 - iii) Complete budget (4 marks)
- b) A smart farmer discovered he could grow cape goose berry instead of maize and make more money. Using a partial budget determine whether the proposal is economically viable (figures per acre)
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|--|-------------|-----------|
| Extra revenue | Kshs.70,000 | |
| Extra cost saved for not producing previous crop | Kshs.10,000 | |
| Extra cost | Kshs.20,000 | |
| Revenue forgone | Kshs.25,000 | (8 marks) |

QUESTION FOUR (20 MARKS)

Describe the following

- a) Law of contract (4 marks)
- b) Franchise (4 marks)
- c) Capital profile (4 marks)
- d) Labour profile (4 marks)
- e) Profit motivation (4 marks)

QUESTION FIVE (20 MARKS)

- a) Distinguish between risk and uncertainty (4 marks)
- b) Explain how an entrepreneur can minimize risks and uncertainties in business (10 marks)
- c) Describe marketing options for agricultural products and sources of market information (6 marks)

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