



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY

SCHOOL OF AGRICULTURAL AND FOOD SCIENCES

**SECOND YEAR SEMESTER ONE EXAMINATION FOR THE DEGREE OF
BACHELOR OF SCIENCE IN AGRIBUSINESS MANAGEMENT
2017/2018 ACADEMIC YEAR**

REGULAR

COURSE CODE: AAE 3221

COURSE TITLE: AGRIBUSINESS INDUSTRIAL ORGANIZATION

EXAM VENUE:

**STREAM: BSc. Agribusiness
Management**

DATE:

EXAM SESSION:

TIME: 2 HOURS

Instructions:

- 1. Answer ALL questions in section A and ANY other 2 Questions in section B**
- 2. Candidates are advised not to write on question paper.**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room.**

SECTION A [30 MARKS]

Answer ALL questions from this section

1a. Explain how the following interventions influence non cooperative behavior:

(a)Pesticide use [3 marks]

(b)Vertical integration [3 marks]

(c) Crop insurance [3 marks]

(b). (i) Explain some THREE characteristics of a monopolist. [3 marks]

(ii) Describe the factors that encourage standardization [4marks]

(c)Write brief notes on the following;

(i)Agribusiness [3 marks]

(ii)Agronomics [3 marks]

(d) Differentiate between packaging and labeling [3marks]

(e) Explain the term price discrimination and give relevant examples. [4marks]

(f) Write short notes on:

(i) Augmented product

(ii) Core product

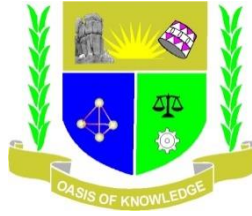
(iii) Whole product. [3 marks]

(g) Explain the term product differentiation [3marks]

SECTION B [40 MARKS]

Answer ANY TWO questions in this section

- 2 (a) By use of a well labeled graph, describe the Pareto optimality principle (also called competitive equilibrium) showing both consumer and producer surpluses. [10 marks]
- (b) Outline some FIVE strategic management decisions that managers make in order to meet the goals and initiatives for competitive advantage. [10marks]
- 3 (a) Identify and explain the major product strategies used in marketing. [10 marks]
- (b) As a newly posted agribusiness product manager in an organization that adds value to agricultural products, a new mango juice is about to be launched into the market. Discuss the questions that you need to address and why. [10 marks]
- 4(a) By use of a well labeled graphical illustration, explain how prices of monopolist are determined under increasing costs and constant costs. [10 marks]
- (b) Discuss the product decisions. [10 marks]



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AAE 3221 AGRIBUSINESS INDUSTRIAL ORGANIZATION

Lecturer: TOM OBADOH

Contact: Cell phone 0722 284297

Course Purpose

To impart knowledge of principles, theories and practice of management of agribusiness firms as well as exposing learners to the current trends, pricing paradigm and challenges of modern agribusiness firms.

Course description:

Introduction and review of the agribusiness firm; Monopoly; Product selection, quality and advertising in agribusiness; Price discrimination; agribusiness vertical integration; Short run price competition; agribusiness dynamic price competition and tacit collusion; agribusiness product differentiation; Price and non-price competition in agribusiness: entry, accommodation and exit; Agribusiness information and strategic behaviour: reputation, limit pricing and predation; Non Cooperative game theory.

COURSE OUTLINE

Week	Topic/Subject	Expected Learning Outcome	Activities
1	a) Introduction and review of the agribusiness firm b) Monopoly; Product selection, quality and advertising in agribusiness;	Knowledge of basic concepts of agribusiness firm	<ul style="list-style-type: none"> • Class discussion • brainstorming out examples
2&3	1. Price discrimination; agribusiness vertical integration:	Knowledge of the concept and causes of vertical integration and its significance to agricultural production today.	<ul style="list-style-type: none"> • Class discussion • Citing out relevant practical examples in Kenya today
4	2. Review of the concept of Short run price competition; a) agribusiness dynamic price competition and tacit collusion b) Agribusiness product differentiation	Appreciate the role of competition in agricultural business	<ul style="list-style-type: none"> • Class discussion • Working out examples
5&6	a) Price and non-price competition in agribusiness b) CAT	The concept of non-price competition in agribusiness	<ul style="list-style-type: none"> • Class discussion • Working out examples

7&8	a)Entry, accommodation and exit in agribusiness environment;	Knowledge of behaviour of different players and their impact on agribusiness performance.	<ul style="list-style-type: none"> • Class discussion • Working out examples
9&10	a)Agribusiness information and strategic behaviour b)CAT	Principles, and concepts of strategic behaviour shaping out agribusiness policy framework	<ul style="list-style-type: none"> • Class discussion • Working out examples
11&12	a)Reputation, limit pricing and predation; b)Non Cooperative game theory.	Concepts, practice and application of game theory .	<ul style="list-style-type: none"> • Class discussion • Working out examples

Mode of Course Delivery

1. Lecture will introduce material on the formal aspects of the unit. Notes will be given to students through E-learning and note taking during lectures.
2. Group discussions will be used to work out problems during lectures and practical sessions.

Course Evaluation

<u>Type</u>	<u>Weight (%)</u>
Examination	70
CATs	20
Assignments	10

Course Texts

1. Stephen G. Kellison, *The Theory of Interest*, 3rd ed., McGraw-Hill, 2009. ISBN 978-007-127627-6.
2. Kotler Philip, 2000. *Marketing Management*, 3rd edition
3. Crawford, I. M. 1997. *Agricultural and food marketing management*. FAO Regional Office for Africa.
4. Global Agricultural Marketing Management, 1992. *FAO Regional Office for Africa*.
- 5.8. Kotler Philip, Gary Armstrong and Peggy H. Cunningham, 1999.

Lecturer: Signature _____ **Date** _____
Chairman, DPAFS _____ **Date** _____