



(Knowledge for Development)

# KIBABII UNIVERSITY

## UNIVERSITY EXAMINATIONS

2017/2018 ACADEMIC YEAR

THIRD YEAR SPECIAL/SUPPLEMENTARY EXAMINATIONS FOR  
THE DEGREES OF BACHELOR OF SCIENCE IN AGRICULTURE AND  
BIOTECHNOLOGY

AND

BACHELOR OF SCIENCE IN AGRICULTURAL ECONOMICS AND  
RESOURCE MANAGEMENT

COURSE CODE: IAE 380/IAE 387

COURSE TITLE: AGRICULTURAL MARKETING II (APPLICATIONS)

DATE: 10<sup>TH</sup> OCTOBER 2018

TIME: 11:30 – 1:30 PM

### INSTRUCTIONS TO CANDIDATES

1. Carefully read and follow the instructions contained in your answer booklets.
2. This Paper consists of **FOUR** questions. Marks for each question are indicated against them.
3. Answer **QUESTION ONE** and any other **TWO** questions.

1. (a) Briefly explain any **FIVE** assumptions that are made about rational consumers. (5 marks)
- (b) Distinguish between “price elasticity of demand” and “income elasticity of demand” (4 marks)
- (c) Explain the roles of middlemen in the marketing of agricultural produce. (4 marks)
- (d) Describe the characteristics of oligopolistic markets. (4 marks)
- (e) Explain the factors that influence the price elasticity of supply for a commodity. (9 marks)
- (f) Distinguish between “supply” and “quantity supplied” (4 marks)
2. Explain how the magnitude of the price elasticity of demand for a commodity can influence the pricing strategy for the commodity. (20 marks)
3. Describe the possible effect of the government fixing of the prices of farm inputs. (20 marks)
4. Explain the factors that influence the demand for rice in Kenya. (20 marks)