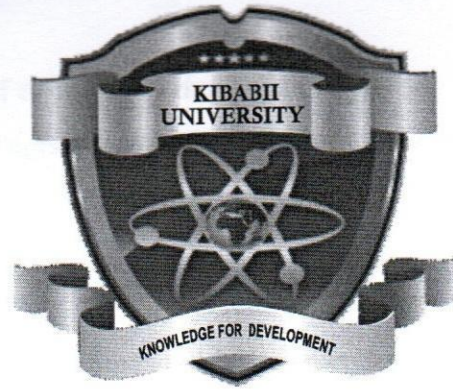


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(Knowledge for Development)

KIBABII UNIVERSITY
UNIVERSITY EXAMINATIONS
2020/2021 ACADEMIC YEAR

THIRD YEAR 2ND SEMESTER
MAIN EXAMINATION

FOR THE DEGREE OF BACHELOR OF SCIENCE AGRICULTURE
ECONOMICS AND RESOURCE MANAGEMENT

COURSE CODE: AEC 328

COURSE TITLE: COOPERATIVE MANAGEMENT &
DEVELOPMENT

DATE: 6TH OCTOBER 2021

TIME: 9 – 11 AM

INSTRUCTIONS TO CANDIDATES

Answer Question ONE and any other TWO Questions.

TIME: 2 Hours

This paper consists of 3 printed pages. Please Turn Over



KIBU observes ZERO tolerance to examination cheating

Question One

- a) Describe the structure of cooperative movement in Kenya (4 marks)
- b) Explain the evidence of registration of Cooperatives in Kenya (3 marks)
- c) Explain the ways in which politics may affect the performance of rural based marketing cooperative (4 marks)
- d) The cooperative can borrow debt capital from institutions like banks. Explain the reasons why banks hesitate to advance funds to local cooperatives. (4 marks)
- e) Cooperatives are autonomous and independent organizations controlled by the members and they are as independent of government and private firms as possible. Explain this statement in relation to developing countries like Kenya (3 marks)
- f) Savings and credit cooperative societies have been found to be doing so well in Kenya. Explain the reasons why every Kenyan should join this movement. (4 marks)
- g) Once a cooperative has been registered, it is required to hold its' first general meeting within one month of receiving the certificate of registration from the commissioner. Explain why this should be adhered to. (4 marks)
- h) 'As cooperatives are public institutions whose membership may be divergent in terms of education and experience, rules must be put in place to protect members' interests'. Cooperatives can hold large number of resources on behalf of its members. In view of this statement, briefly explain the rules pertaining to property and funds of a cooperative society. (4 marks)

Question Two

Kenya is an agriculturally based country and is dominated by small-scale farmers; hence the importance of cooperative societies in economic development cannot be over emphasized especially as a good vehicle to drive the rural population out of poverty. Discuss (20 marks)

Question Three

- a) Any two or more co-operative societies may, by a special resolution resolve to amalgamate as a single society. Discuss the procedure of cooperative society's amalgamation. (10 marks)
- b) Managing conflicts in farmer cooperatives is one of the management toughest issues. Discuss principals of conflict resolution in cooperatives. (10 marks)

Question Four

- a) Explain five roles of agricultural producer cooperatives in Kenya. (10 marks)
- b) Discuss the privileges of a registered cooperative society in Kenya (10 marks)

Question Five

- a) There are various methods used in the analysis of cooperative finance performance. Clearly explain these methods. (10 marks)
- b) When an urgent matter occurs in a cooperative society before an annual general meeting is due, a special general meeting (SGM) may be called. Explain the procedure and reason for such meeting. (10 marks)