



MERU UNIVERSITY COLLEGE OF SCIENCE & TECHNOLOGY

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University Examinations 2012/2013

FIRST YEAR, SECOND SEMESTER EXAMINATION FOR CERTIFICATE/DIPLOMA IN
AGRICULTURE

BUS 0161 – PRODUCTION ECONOMICS AND AGRICULTURAL MARKETING

DATE: DECEMBER 2012

TIME: 1 ½ HOURS

INSTRUCTIONS: Answer question *ONE* and any other *TWO* questions

QUESTION ONE – 30 MARKS

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|---------|--|----------|
| (a) (i) | Define Agricultural Marketing | (2Marks) |
| (ii) | State 3 basic production problems | (3Marks) |
| (iii) | What is Marginal Physical Products? | (2Marks) |
| (iv) | Give 5 advantages of packaging and packing | (5Marks) |
| (v) | State 4 factors of production | (4Marks) |
| (vi) | State 4 market structures | (4Marks) |
| (vii) | Give 5 marketing channels for agricultural products | (5Marks) |
| (viii) | What is product mix? | (2Marks) |
| (ix) | Give 3 advantages of grading in agricultural products. | (3Marks) |

QUESTION TWO – 15 MARKS

- (a) (i) Explain the importance of the following functions performed on agricultural products.
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|-------------------------|----------|
| (a) Grading | (2Marks) |
| (b) Packaging & Packing | (2Marks) |
| (c) Labelling | (2Marks) |
| (d) Storage | (2Marks) |
| (e) Transportation | (2Marks) |
| (f) Processing | (2Marks) |

(ii) State 3 special characteristics of agricultural products. (3Marks)

QUESTION THREE – 15 MARKS

Illustrate production function. Which is rational stage and why? (15Marks)

QUESTION FOUR – 15 MARKS

Discuss 7 special characteristics of agricultural sector to manufacturing sector. (15Marks)

QUESTION FIVE – 15 MARKS

Discuss various steps involved in decision making process in production. (15Marks)