



**MASINDE MULIRO UNIVERSITY OF
SCIENCE AND TECHNOLOGY
(MMUST)**

MAIN EXAMINATION

**UNIVERSITY EXAMINATIONS
2023/2024 ACADEMIC YEAR**

THIRD YEAR SECOND SEMESTER EXAMINATIONS

**FOR THE DEGREE
OF
BACHELOR OF SCIENCE (SAM & SAR)**

COURSE CODE: AEC 309

**COURSE TITLE: AGRICULTURAL MARKETS AND PRICE
ANALYSIS**

DATE: TUESDAY 9th April 2024

TIME: 8:00 -10:00

INSTRUCTIONS TO CANDIDATES

ATTEMPT ONE AND ANY OTHER TWO QUESTIONS

TIME: 2 Hours

MMUST observes ZERO tolerance to examination cheating

This Paper Consists of 2 Printed Pages. Please Turn Over.

QUESTION ONE

- a) Explain the four utilities created by marketing. (8 Marks)
- b) Explain both the macro and micro aspects of agricultural marketing. (4Marks)
- c) Explain the relationship that exists between marketing and production. (4Marks)
- d) Distinguish between the rationing function and the allocation function of price system. (4 Marks)
- e) State and explain the special features of agricultural products (10 Marks)

QUESTION 2

- a) State and explain limitations of the Price control mechanism (10 Marks)
- b) Why is market failure common in developing countries? Discuss (10 Marks)

QUESTION 3

Marketing economists have developed various approaches to study agricultural marketing. Validate this statement using the five approaches of agricultural marketing. (20 Marks)

QUESTION 4

- a) Discuss the major problems confronting agricultural marketing (10 Marks)
- b) Perfectly competitive firms sometimes earn substantial amounts of profit. Is this inconsistent with Structure-Conduct-Performance theory? Explain. (10 Marks)

QUESTION 5

- a. Discuss the advantages and disadvantages of leaving the allocation of a country's resourcesto the price mechanism? (10 Marks)
- b) How does a price ceiling or price floor undermine the rationing and allocation function ofprices? (10 Marks)