



MAASAI MARA UNIVERSITY

REGULAR UNIVERSITY EXAMINATIONS

2021/2022 ACADEMIC YEAR

THIRD YEAR FIRST SEMESTER

SCHOOL OF BUSINESS AND ECONOMICS

BACHELOR OF SCIENCE IN AGRIBUSINESS

MANAGEMENT

COURSE CODE: AGB 3103

**COURSE TITLE: AGRICULTURAL VALUE
CHAINS**

DATE: 30TH MARCH, 2022

TIME: 0830-1030

INSTRUCTIONS TO CANDIDATES

Answer Question **ONE** and any other **THREE** questions

QUESTION ONE

- a). What is agricultural value chain? Explain how different organizations use value chain concept for agricultural development purposes. **(5 Marks)**
- b) Write short notes on the following in context of agricultural value chain concept:
- i) Agribusiness value chain model **(2marks)**
 - ii) Value chain actors **(2 marks)**
 - iii) Value chain activities **(2 marks)**
 - iv) Value chain organization **(2 marks)**
- c). Describe value creation process using agribusiness company model and specify the value created at each stage. **(9 marks)**
- d) Explain the role of governance in the value markets in Kenya **(3 marks)**

QUESTION TWO

- a). Discuss four agribusiness value chain models clearly elaborating their objectives and main actors for each model. **(8 marks)**
- b). Giving examples explain the difference between primary and support activities in value chain analysis and elaborate your answer with respect to agricultural commodity input-output model. **(7marks)**

QUESTION THREE

- a) A farmer grows tomatoes along Enkare Narok River through irrigation. She incurs losses amounting to 10% during transportation of her produce from the farm to ODM market in Narok Town. She sells the tomatoes to a green grocer at kshs 100/= per kg. The green grocer added value by incurring marketing costs (i.e. packing and grading) at a cost of kshs 20/= per kg and then sells the tomatoes to the consumer at an average price of kshs 150/= per kg. Compute:
- i). Total costs incurred by the green grocer **(2marks)**
 - ii) Sales Revenue for the green grocer **(2marks)**
 - iii) The value chain margin **(2marks)**
- b) Discuss five methods of measuring investment risks along the agricultural value chains. **(9 marks)**

QUESTION FOUR

Describe value chain organization for the following agricultural commodities in the Kenyan market:

- i) Coffee (5 marks)**
- ii) Maize (5marks)**
- iii) Milk (5 marks)**

QUESTION FIVE

- a) Explain three sources of risks encountered in value markets. (8 marks)**
- b) Strengthening agribusiness value chain depend on the business model. Explain (7 marks)**

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