



**MAASAI MARA UNIVERSITY**  
**REGULAR UNIVERSITY EXAMINATIONS**  
**2023/2024 ACADEMIC YEAR**  
***SECOND YEAR FIRST SEMESTER***

**SCHOOL OF BUSINESS AND ECONOMICS**  
**Bachelor of Science in Agribusiness Management**

**COURSE CODE: AGB 2103-1**

**COURSE TITLE: THEORY AND PRACTICE OF MANAGEMENT**

**DATE: 11<sup>TH</sup> DECEMBER 2023**

**TIME: 1100-1300**

**INSTRUCTIONS TO CANDIDATES**

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

**All Examination Rules Apply**

**Read the exam booklet carefully**

**This paper consists of 3 printed pages. Please turn over.**

### **QUESTION ONE (20 MARKS)**

Tom is a maize farmer in Narok county who for the last 10 years has been growing maize and interchanging with beans after harvest. Following the provision of subsidized fertilizers by the government and the improvement in weather conditions, he and his family are looking to have a bumper harvest this season. He has already started to receive orders from maize millers in the county. Next week he will be delivering over 200 sacks and he expects to sell more than 500 sacks a week. A sack's farmgate price is KES 4,300–4,500, it fetches KES 4,700 at the millers, and goes for KES 4,800 through brokers.

He believes in a “willing buyer, willing seller model.” Recently, however, the market has been a major challenge, especially due to low prices due to lower-priced government subsidized goods and attendant exploitation of farmers, climate change is also a major challenge. Unpredictable weather affects the drying period and process. With the volatile market prices, Tom prefers to store his maize until the market stabilizes. He laments that cartels that have acquired government subsidized cereals and fertilizer are now selling them at exorbitant prices. Additional challenges include lack of access to timely and low-interest loans, lack of a market, lack of adequate machines for harvesting and inadequate human resource. He wryly notes that farming is never smooth. “It is a game of pata potea [today you gain, tomorrow you lose],”

Due to the success, he has had this season, he is thinking of expanding his business to new markets, to diversify into other crops including wheat, avocado and sorghum whose business prospects are rising and in the near future to start a manufacturing company and join a farmer's cooperative/association. However, the same products might face similar challenges as with maize. Tom has contacted you to help in strategic planning, business plan development and change management.

- a. What management challenges is Tom likely to face in his quest to start a company? (5 marks)
- b. Describe the best organizational structure that Tom would use for his new business (5 marks)
- c. If he were to join a cooperative or a farmer's association, which aspects in group dynamics must Tom be aware of? (5 marks)
- d. Which management and leadership techniques would you advice Tom to implement for effective organizational change (5 marks)

*QUESTION TWO (15 MARKS)*

- a. Distinguish between leadership and management (5 marks).
- b. What are some of the most important roles of a professional agribusiness manager? ( 5 marks)
- c. Discuss 5 functions of management (5 marks).

*QUESTION THREE (15 MARKS)*

- a. What is the rationale for modern management school of thought (5 marks)
- b. How would you apply each approach in agribusiness? (10 marks)

*QUESTION FOUR (15 MARKS)*

- a. Describe the central focus of the classical theory of management and critique each of the three sub fields. (7 marks)
- b. Compare and contrast the neo-classical human approach and behavioral approaches. (8 marks)