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University Examinations 2022/2023

SECOND YEAR SECOND SEMESTER EXAMINATION FOR THE CERTIFICATE IN
ANIMAL HEALTH AND PRODUCTION

AAP 1257: AGRIBUSINESS MANAGEMENT

DATE: APRIL 2023

TIME: 1½ HOURS

INSTRUCTIONS: Answer question *one* and any other *two* questions

QUESTION ONE (30 MARKS)

- a) Define the following terms (6 marks)
- i. Agribusiness
 - ii. Gross margin
 - iii. Strategic management
 - iv. Production function
- b) Briefly describe the farming systems in Kenya (5 marks)
- c) Highlight the assumptions of the production function (4 marks)
- d) List the components of strategic management (3 marks)
- e) Differentiate between variable and fixed inputs, giving relevant examples (5 marks)
- f) Briefly describe the role importance of a human resource manager (7 marks)

QUESTION TWO (15 MARKS)

Mwenda has 20 hectares for growing maize and beans. The farmer has to decide how much of each to grow. The cost per hectare for maize is ksh 30000 and for beans is ksh 20000. The farmer has budgeted ksh 480000. Maize requires 1 man-day per hectare and beans require 2 man-days per hectare. There are 36 man-days available. The profit on maize is ksh 100000 per hectare and on beans is ksh 120000 per hectare

Using linear programming method, find the number of hectares of each crop the farmer should sow to maximise profits

QUESTION THREE (15 MARKS)

- a) Differentiate between partial and complete budget (10 marks)
- b) Highlight the advantages of break-even analysis (5 marks)

QUESTION FOUR (15 MARKS)

Discuss the stages of the production function, using an illustration (15 marks)