



MAASAI MARA UNIVERSITY

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

**SCHOOL OF BUSINESS AND ECONOMICS
BACHELOR OF SCIENCE- AGRIBUSINESS
MANAGEMENT**

**COURSE CODE: AGB 2104-1
COURSE TITLE: INTRODUCTION TO
AGRIBUSINESS MANAGEMENT**

DATE: 5/12/2023

TIME: 1100-1300 HRS

INSTRUCTIONS TO CANDIDATES

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

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

QUESTION ONE

- a) The vision 2030 has singled agriculture as one of the important sectors to attain the envisaged annual growth rate of 10% in the economic pillar. What are the main challenges facing agriculture sector with regard to vision 2030? **(8 marks)**
- b) 'Planning is a process by which managers look to the future and discover alternative courses of action. Discuss briefly the six steps in the planning process **(6 marks)**
- c) Successful domestic agribusinesses consider entering the more risky international marketplace. What are the benefits realized by the agribusinesses from doing business internationally **(6 marks)**

QUESTION TWO

- a) Management in agribusiness is viewed as efficient use of human, material and resources towards achievement of specific objectives. It comprises of a series of functions. Explain the functions of management **(10 marks)**
- b) Discuss the distinctive features of Agribusiness Management **(5 Marks)**

QUESTION THREE

- a) What are some of the characteristics of the sole proprietorship which make it an attractive form of business? **(10 marks)**
- b) What are the factors which influence the choice of selection of the best organizational form of an agribusiness **(5 marks)**

QUESTION FOUR

The following information has been obtained from Park Villa hotel as at 31/12/2022.

Cash	170,000
Accounts receivable	1,600,000
Notes payable	1,000,000
Inventory	2,500,000
Prepaid expenses	17,000

Accounts payable	795,000
Land	1,150,000
Building	600,000
Accrued expenses	35,000
Equipment	1,300,000
Advances	27,000
Mortgages	1,145,000
Common stock	1,885,000
Retained earnings	1,780,000

Additional information:

- i. The accumulated depreciation for building is Kshs. 150,000
 - ii. The accumulated depreciation for equipment is Kshs. 520,000
- a. Prepare balance sheet for Park Villa hotel as at 31/12/2022 **(9 Marks)**
- b. Compute for the following financial ratios:
- i. Current ratio **(1 Mark)**
 - ii. Net working capital **(1 Mark)**
 - iii. Debt to equity ratio **(2 Marks)**
 - iv. Debt to asset ratio **(2 Marks)**

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