



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF AGRICULTURAL AND FOOD SCIENCES
SECOND SEMESTER THIRD YEAR EXAMINATION FOR THE DEGREE OF
BACHELOR OF SCIENCE IN AGRIBUSINESS MANAGEMENT 2024/2025
ACADEMIC YEAR

SIAYA

COURSE CODE: AEB 1304

COURSE TITLE: AGRIBUSINESS MANAGEMENT PLANS AND STRATEGIES

EXAM VENUE: STREAM: (BSc. Agribusiness Management)

DATE: EXAM SESSION:

TIME:

Instructions:

- 1. Answer ALL questions in Section A (compulsory) and ANY TWO questions in Section B**
- 2. Candidates are advised not to write on the question paper**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room**

SECTION A [30 MARKS]
Answer ALL questions from this section

1. Explain why organizations rely more on intangible resources for creating competitive advantage? **[2marks]**
2. What is the meaning of a strength and a weakness in the context of internal environmental analysis? **[2marks]**
3. What are switching costs and how can new entrants overcome them? **[2marks]**
4. State the value of strategic grouping as an analytical tool for strategy formulation? **[2marks]**
5. Differentiate between:
 - a) Core competency and capability. **[2marks]**
 - b) Backward integration and Forward integration **[2marks]**
6. For a resource to be valuable according to Resource-Based View (RBV) in internal environmental analysis, it must be inimitable. Point out the two ways in which imitation can occur? **[2marks]**
7. Change in consumption patterns and the rising cost of conventional sources of protein has necessitated Kilimo Company Limited to start rearing and processing edible insects for food. However, this is a new venture and a new industry that is emerging and as such a business plan is important.
 - a) Demonstrate to Kilimo Company Limited why a business plan is a necessity for this venture. **[5 marks]**
 - b) Outline the two critical strategic issues that Kilimo Company need to confront in this emerging industry. **[2 marks]**
 - c) Articulate the possible strategic challenges Kilimo Company Limited is likely to encounter in this emerging industry? **[3marks]**
 - d) The Company is projecting three performance outcomes with three types of insects: Termites, Locust and Crickets as shown in the table below.

| Business conditions | Probability | Termites | Locust | Crickets |
|----------------------------|--------------------|-----------------|---------------|-----------------|
| Good | 0.35 | 750,000 | 550,000 | 250,000 |

| | | | | |
|---------|------|---------|---------|---------|
| Average | 0.4 | 600,000 | 450,000 | 165,000 |
| Poor | 0.25 | 300,000 | 180,000 | 90,000 |

- i. Using Maximin/Minimax rule, advise the company on the best insect type to choose. **[2marks]**
- ii. When it is suitable to apply this rule? **[2marks]**
- iii. Would the choice of the insect be different if the company policy on minimum returns is 150,000 irrespective of probabilities? **[2marks]**

SECTION B [40 MARKS]

Answer any TWO QUESTIONS in this Section.

8. An organization in a vulnerable position as a result of inefficiency and ineffectiveness, has approached you for advice as an agribusiness strategist.
 - a) Provide guidance to the management on the most effective strategies to implement in order to rescue and revitalize the organization **[8marks]**
 - b) Identify two reward systems that the management should align to the strategies identified in (a) above. **[2marks]**
 - c) The piece of a product or service conveys many diverse messages to consumers. Clarify any four ways the consumer will perceive the price of a product. **[8marks]**
 - d) Why is organizational structure important for strategy implementation? **[2marks]**

9. Azuri group of companies is an international company that is adding value to indigenous crops through processing and packaging to improve shelf life and income margins. Recently, the company had shown interest in the Kenyan market, specifically in orange fleshed sweet potatoes, indigenous vegetables and cassava. The company processes the products and fortify with the missing micronutrients and then packages into various packing designs and sizes. This is coming at a time that the country is suffering from

malnutrition and vitamin A related illness which the orange fleshed sweet potato and indigenous vegetables is seen as remedy especially to poor mass. Again, the major producing areas of the country experienced surplus which were wasted due to lack of adequate and appropriate post-harvest handling techniques. Although there have been substantial efforts from local enterprises to engage in value addition of these crops, this has not substantially absorbed the surplus.

a) As an agribusiness strategist, advice the Azuri company on the best strategy (ies) to employ to venture into the Kenyan Market.

[4marks]

b) Analyse the grand strategy being pursued by the Azuri Company. **[2marks]**

c) Justify when it is suitable to apply the strategy identified in (b) above.

[7marks]

d) Identify two opportunities and two threats to the local enterprises.

[4marks]

e) Expound on the three strategic options available for organizations in a high velocity industry in dealing with change.

[3marks]

10. The fish productivity has been on the decline in Kenya for the past decade, due to over-fishing, pollution of the fish habitat, climate change, destruction of fish breeding places and predators. This has led to influx of cheap fish from China to fill the demand gap, however, there has been allegations of presence of high levels of toxic substances on the fish from China. The government of Kenya through Economic Stimulus Programme has come up with different support programmes for fish farmers to improve productivity. These programmes include support for either pond production or fish cage farming. The challenge with fishpond technology is that it can thrive in swampy areas with reliable water source, which is a challenge to most fishing communities along the lake, prompting most of them to indulge in fish cage farming which is done within the lake. Fish cage farming is a new technology which will require capacity building of the farmers, reliable supply of inputs such as feeds and cages; which are expensive, constant security to wade off thieves and predators. Since most people around the lake are fish mongers, a market would not be a problem but currently there has been a negative attitude towards cage fish. Although fish cage farming is heralded as a promising fish production technology, there are no policies guiding implementation and use of this technology and further lack of fish

cage farmers association to voice out the farmers' grievances is making the situation worse.

- a. Carry out a detailed PESTE analysis for this scenario.

[10marks]

- b. Considering this scenario, discuss the strategies that should be considered to achieve future focused growth of the fish cage farmers.

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[7marks]

- c. How can substitute products pose threats to existing products?

[3marks]