



**NGETTA CAMPUS
FACULTY OF AGRICULTURE**

BACHELOR OF AGRICULTURAL ECONOMICS AND AGRIBUSINESS MANAGEMENT

MKT 3202: AGRIBUSINESS PRICE ANALYSIS

FINAL ASSESSMENT

ACADEMIC YEAR 2023/2024 SEMESTER ONE

BAEM III

DATE: 6TH/DEC/2023

TIME ALLOWED: 3 HOURS (9:00AM-12:00PM)

INSTRUCTIONS:

- *Attempt any four questions of choice*
 - *All questions carry equal marks*
 - *Start every question on a new page*
 - *Do not write anything on the question paper*
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1. a) Analyse the factors that affect cash and future price of commodities. (10mks)
b) Explain the significance of the cash and future price relationships. (10mks)
c) What major factors are based on when pricing future contracts? (5mks)
2. a) Differentiate between the following concepts as used in price variations
 - i) symmetrical and Asymmetrical
 - ii) slippage and price improvement
 - iii) limit order and market order (2mks @)
b) Besides the mitigations that government together with other organizations put in place prices have confirmed to vary from time to time. Account for the variations in prices of commodities in most countries today. (8mks)
c) Examine the impact of price variations of products to the economy. (8mks)
3. a) With examples, distinguish between farm prices and non- farm prices as used in agri- business. (4mks)
b) Discuss the factors that affect farm and non -farm prices of commodities in most developing countries. (12)

- c) Explain the barriers to farm and non - farm prices of commodities in developing countries. (9mks)
4. a) Describe how prices of commodities are determined in the market. (8mks)
- b) Explain the classification of prices in an economy (8mks)
- c) Discuss the factors that influence prices of goods and services in an economy. (9mks)
5. a) Differentiate between demand and effective demand as used in price analysis. (4mks)
- b) Explain with examples, the types of demand common in most countries. (8mks)
- c) Analyse the factor that continuously affect quantity demanded of most commodities in developing countries. (13mks)
6. a) Account for the persistent price fluctuations of commodities in most developing countries. (13mks)
- b) As a student of agribusiness, how would such fluctuations prices be mitigated? (12mks)
7. a) Explain the differences between farm and non- farm price relationships. (4mks)
- b) What challenges are faced by most farms in developing countries? (12mks)
- c) How would the above challenges be revamped when trusted with its management for at least a year? (9mks)
8. a) Explain the classifications of market structures. (13mks)
- b) With the aid of well -developed diagrams, explain how prices, output and profits are determined under monopolistic competitive firms in the;
- i) short run (6mks)
- ii) Long run(6mks)

END