



MANICALAND STATE UNIVERSITY OF APPLIED SCIENCES

FACULTY OF AGRIBUSINESS AND COMMERCE

Department of Agricultural Economics and Development

AGRICULTURAL AND FOOD MARKETING

CODE: HACE 411

SESSIONAL EXAMINATIONS

JULY 2022

DURATION: 3 HOURS

EXAMINER: MR F. RUZHANI

INSTRUCTIONS

- 1. Answer any Four (4) questions.*
- 2. Start a new question on a fresh page*
- 3. Total marks 100*

Question 1

A marketing strategic plan is an important marketing tool necessary to achieve marketing goals and objectives for any organization.

- a) With reference to **relevant agricultural examples** describe the important aspects of a market strategic plan. [18]
- b) Justify the relevance of market planning to a farmer. [7]

Question 2

- a) *Market information is an important marketing function which ensures the smooth and efficient operation of the marketing system.* Identify and explain any **four** characteristics of good market information which gives the information maximum advantage to the farmer. In your answer clearly show why each characteristic is important to the farmer using **relevant agricultural examples**. [16]
- b) Storage of agricultural commodities involve three major types of risk. With reference to examples identify and describe the three major risks associated with storage of agricultural products. [9]

Question 3

- a) *A marketing function is a fundamental physical process or service required to give a product several utilities consumers desire.* Discuss the **four (4)** types of utilities created by the marketing process, giving relevant examples to support your answer. [12]
- b) *Transportation costs accounts for about 50% of the total cost of marketing.* Explain any **four (4)** factors that influence the cost of transportation. [8]
- c) Assume that, at 10 % loss levels, 1 kg of tomatoes purchased by the trader from the farmer results in 0.9 kg being available for sale to consumers. The trader buys tomatoes from the farmer at \$4 per kilogram and marketing costs are \$2 per kilogram for the tomatoes originally purchased. The selling price of tomatoes is \$7 per kilogram. Calculate the margin for this trader. [5]

Question 4

- a) *Market structure refer to those organizational characteristics of a market which influence the nature of competition and pricing, and affect the conduct of business firms.* Identify and explain any **four** components of a market structure. [8]
- b) Describe **five** conditions that should be met for a market to be classified as a perfect market. [5]
- c) With reference to examples differentiate between forward and backward integration. [4]
- d) Explain the conflict of interest that exists between the key players in the food marketing system and describe the role of the government in solving these conflicts. [8]

Question 5

- a) Outline the conditions that must be satisfied for an agricultural market to exist. [4]
- b) With reference to an agricultural example and a graph discuss how the equilibrium market price is determined in the market. [9]
- c) *In some instances the price determined by the market forces of supply and demand may be too low thus affecting the ability of the farmers to cover their cost of production.* With the aid of a graph describe how the government of Zimbabwe can use a price floor to protect the interests of farmers and explain the effects of such a policy. [8]
- d) Suppose the price of tomatoes was \$1.20 per kilogram in 2020. What should be the price of tomatoes per kilogram in 2022 adjusted for inflation if the Consumer Price Index for 2020 was 105 and the Consumer Price Index for 2022 is 120? [4]

END OF EXAMINATION