



“Investing in Africa’s future”

COLLEGE OF HEALTH AGRICULTURE & NATURAL SCIENCES

NAEC402: AGRICULTURAL MARKETING

END OF FIRST SEMESTER FINAL EXAMINATIONS

NOVEMBER 2022

LECTURER: DR K. MUKUMBI

DURATION: 3 HOURS

INSTRUCTIONS

1. Do not write your name on the answer sheet

2. Use Answer Sheets Provided

3. Begin your answer for Each Question on a New Page

4. Credit is Given for Neat Presentation

SECTION A

Answer **ALL** questions in this section

QUESTION 1

- a) i. What is the price elasticity of demand? (2 marks)
- ii. Explain the importance of the price elasticity of demand to a marketer. (5 marks)

b) *Read the passage below and answer the questions that follow:*

There are 6 producers of fertilizer in Zimbabwe: ZFC, Omnia, Windmill, NuFert, Sable Chemicals and Zimphos

Below is the financial information for each company from September 2021-September 2022

<i>Company</i>	<i>Sales (\$)</i>	<i>Net profit (\$)</i>
ZFC	8 000 000	3 000 000
Omnia	2 700 000	700 000
Windmill	24 000 000	1 400 000
NuFert	6 120 000	4 500 000
Sable Chemicals	30 975 000	3 000 000
Zimphos	15 500 000	5 000 000

- i. Calculate the market share for each company. (18 marks)
- Remember to include the formula and show your working.
- Round off your answers to 2 decimal places.

c) *Read the passage below and answer the questions that follow:*

The farmgate price for bananas is \$0.55 per kg, the average wholesale price is \$0.86 per kg and the average retail price is \$1.25 per kg.

- Remember to include the formula and show your working.
- Round off your answers to 2 decimal places.

Calculate:

- i. The share to the farmer (4 marks)
- ii. The wholesale margin (4 marks)
- iii. Retail margin (4 marks)
- iv. Total margin (3 marks)

SECTION B

Answer any THREE questions in this section

QUESTION 2

Read the passage below and answer the questions that follow:

Your aunt grows peanuts and produces peanut butter, she is finding it difficult to find enough to market the peanut butter by herself and manage her processing factory. She is considering using a middleman but has heard that they exploit producers.

- a) Define the term middleman to your aunt and include examples of the different types of middlemen. (5 marks)
- b) Identify and describe 5 benefits of using middlemen to your aunt. (10 marks)
- c) Describe 2 situations when it is not advisable for your aunt to use a middleman. (5 marks)

QUESTION 3

- i. Identify a research topic focusing on buyer behavior of rural food consumers. (4 marks)
- ii. Describe the methods you will use to collect data? (6 marks)
- iii. What will be your source for the data? (3 marks)
- iv. Explain how will you analyse the data? (4 marks)
- v. Describe how information from the study will inform marketing decision making? (3 marks)

QUESTION 4

Read the passage below and answer the questions that follow:

A farmer would like to develop cheese from goat milk. They ask for your advice on how to develop a new goat cheese product.

- a) Describe the 7 steps in the new product development process that the farmer would need to go through in developing the new goat cheese product. (20 marks)

QUESTION 5

- a) Describe 5 key lessons related to agricultural marketing you learnt from the companies we visited at the Harare Agriculture show. (10 marks)
- b) Explain how you will apply what you learned at the agriculture show to your career in agribusiness. (10 marks)

END OF EXAMINATION PAPER