



COLLEGE OF HEALTH, AGRICULTURE AND NATURAL SCIENCES

NAEC 402: AGRICULTURAL MARKETING

END OF FIRST SEMESTER EXAMINATION

NOVEMBER 2025

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DURATION: 3 HOURS

INSTRUCTIONS

Answer all questions in Section A and any **three** from Section B

Section A carries **40 marks** and each question in Section B carries **20 marks**.

SECTION A (ANSWER ALL QUESTIONS)

Question 1

Define the following terms, giving examples of how they apply to agricultural marketing:

- a) Formula pricing; [2]
- b) Administered prices; [2]
- c) Contract integration; [2]
- d) Organized central markets; and [2]
- e) Marketing margin. [2]

Question 2

Explain the following terms in agricultural marketing.

- a) Marketing machinery. [4]
- b) Market channel. [4]
- c) Competition. [4]
- d) Price discovery. [4]
- e) Sorting and Assorting. [4]

Question 3

- a) What is the meaning of competition in food markets? [3]
- b) Explain why freedom is at the heart of competitive markets. [7]

SECTION B (ANSWER ANY THREE QUESTIONS)

Question 4

- a) Explore the roles of speculation in agricultural markets. [5]

b) Reproduce the Table below in your answer sheet and fill in the blanks with appropriate words that best describe the characteristic of each market structure.

Note the upper left component is filled-in for you as an example (underlined).

[One point each for a total of 15 points]

Characteristics	Perfect Competition	Monopolistic Competition	Oligopoly	Monopoly
Number of buyers/sellers	<u>Very Large number</u>			
Product Differentiation				
Easy of Entry/Exit				
Influence on Price				

Question 5

- a) Highlight the main roles of market information. [5]
- b) Outline the criteria for evaluating market information. [5]
- c) Discuss the key roles of information and communication technologies (ICTs) in accessing markets and agricultural value chains.

[10]

Question 6

a) With the aid of an illustrative diagram, describe the food marketing system.

[10]

b) Using one agricultural commodity as an example, discuss the main characteristics of the marketing process. [10]

Question 7

(a) We discussed in class several types of contracts that are used to vertically integrate farmers with their input suppliers and buyers of farm products. What factors account for the differences in these farm contracts? [4]

(b) Critique the market-specification contract and the resource-providing contract, clearly articulating the benefits and concerns of farmers in these types of contracts. [16]

Question 8

a) Describe the main forces that influence farm prices. [5]

b) Explain the main conditions necessary for the development of price cycles. [5]

c) Discuss the implications of agricultural price cycles for farmers, marketing firms and consumers. [10]

END OF EXAMINATION