

PAPUA NEW GUINEA UNIVERSITY OF TECHNOLOGY

DEPARTMENT OF AGRICULTURE

SEMESTER 1, 2021

FINAL EXAMINATION

AG 415 AGRICULTURAL MARKETING

INSTRUCTIONS

1. There are 10 examination questions in this course. You must answer all of them.
2. The marks allocated to each question is not the same. These marks are indicated beside given question.
3. Write your name and ID # clear on the attendance slips and examination booklet. Do that now.
4. You are not allowed to tear examination booklet. If you made a mistake, then put an x over that section you do not want to be considered and start writing on the next space or next page.
5. You are not permitted to bring into the examination room, calculators, erasers, rulers, pens and pencils. No other materials are allowed into the examination room.
6. Mobile phones must be switched off and are not to be used until the examination is completed you have already left the examination hall.
7. You are not allowed to leave the examination room within the first 2 hours of the examination period.
8. You now have 5 minutes to read the examination questions. You must raise any question you have during this period. No questions will be asked during the examination period.
9. Total examination period is 3 hours. You can start now.

Question 1

- a) Define the term - agricultural market. (2 marks)
- b) Explain the role of an agricultural market. (3 marks)

Question 2

- a) List the 4 marketing utilities. (2 marks)
- b) List and explain the value-addition activities of each marketing utility. (8 marks)

Question 3

- a) List the three approaches to analyzing agricultural marketing problems. (3 marks)
- b) In the functional approach, the marketing activities are grouped into the exchange, physical and facilitating categories.
 - i) Briefly explain the role of the exchange function. (2 marks)
 - ii) List the three activities of the physical function. (3 marks)
 - iii) Briefly discuss, how the activities of the physical function influence the exchange function? (5 marks)

Question 4

- a) List the 3 causes of annual food variability. (3 marks)
- b) Why food crops are more susceptible to annual food variability than livestock? (3 marks)
- c) Is green-house food production the way to go in the light of the increasing population? Explain. (5 marks).

Question 5

- a) List the factors that cause seasonal variability in food production. (3 marks)
- b) Discuss how these factors cause (i) food availability variability and (ii) price variability? (6 marks)

Question 6

- a) List 4 factors that affect consumer choice. (4 marks)
- b) Explain the nature of influence these factors have on the consumers. (8 marks)
- c) When economic grow occurs, incomes of consumers also increase. It is, however, noted that the demand for low quality food also increase when incomes rise. Why? Explain. (4 marks)

Question 7

- a) Define the term - market power. (2 marks).

- b) List the characteristics of (i) a monopolistic competition and (ii) pure monopoly. (6 marks)
- (i) Monopolistic competition
 - (ii) Pure monopoly
- c) Explain how a firm under monopolistic competition derives monopoly power in the product it sells. (2 marks)

Question 8

- a) Define the terms (i) normal profit and (ii) supernormal profit” (4 marks)
- b) A firm could increase the volume of income in its operations. How is this achieved under (i) perfect competition and (ii) under pure monopoly? (4 marks).

Question 9

- a) Define the terms (i) production risk and (ii) income risk (2 marks)
- b) List the factors that cause production risk and income risk (4 marks)
- c) Explain how each factor listed in (b) cause production risk and income risk (4 marks)

Question 10

- a) What is a future market? (2 marks)
- b) Why is a future market useful? (2)
- c) Who benefits from a price increase/decrease? Explain. (4 marks).