

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**SECOND YEAR EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR
OF AGRIBUSINESS MANAGEMENT AND BACHELOR OF SCIENCE IN
AGRICULTURE ECONOMICS**

**AGBM 231: AGRICULTURAL CO-OPERATIVE MANAGEMENT AND
DEVELOPMENT**

STREAMS: AGBM Y2S2; AGECE Y2S2

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 08/04/2020

11.30 A.M. – 1.30 P.M.

INSTRUCTIONS:

- **Answer question ONE and any other THREE.**

QUESTION ONE (25 MARKS)

- Explain five reasons why a country needs to form cooperatives. (5 marks)
- Discuss five features of cooperative movement. (10 marks)
- Once a cooperative has been registered, it is required to hold its first general meeting within one month of receiving the certificate of registration from the Commissioner. Explain five reasons why this should be adhered to. (10 marks)

QUESTION TWO (15 MARKS)

- Cooperatives are autonomous and independent organizations controlled by the members and they are as independent of government and private firms as possible. Explain this statement giving four reasons in relation to developing countries like Kenya. (8 marks)
- Explain the cooperative registration process in Kenya. (7 marks)

QUESTION THREE (15 MARKS)

- Explain the following terms

- (a) Liquidity ratio (2 marks)
 - (b) Solvency ratio (2 marks)
 - (c) Efficiency ratio (2 marks)
- (ii) When an urgent matter occurs in a Cooperative Society before an Annual General Meeting is due, a Special General Meeting (SGM) may be called. Explain the procedure and reason for such meeting. (9 marks)

QUESTION FOUR (15 MARKS)

- (i) Explain four reasons for calling a cooperative special general meeting. (4 marks)
- (ii) Identify and explain three types of housing cooperative society in Kenya. (6 marks)
- (iii) Discuss five challenges facing cooperative movement in Kenya. (5 marks)

QUESTION FIVE (15 MARKS)

- (i) Basing your argument on Kenyan model, discuss the reason why cooperative organizations should be supported by the government. (10 marks)
 - (ii) Explain five roles of agricultural producer cooperatives in Kenya. (5 marks)
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