

LAIKIPIA



UNIVERSITY

UNIVERSITY EXAMINATIONS

FIRST SEMESTER 2025/2026 ACADEMIC YEAR

FOURTH YEAR EXAMINATION FOR THE DEGREE
OF BACHELOR OF AGRIBUSINESS MANAGEMENT

AGBM 412: INTERNATIONAL AGRIBUSINESS POLICY

STREAM: Y4S1 AGBM

TIME: 2 HRS

DAY: THURSDAY [2.30 P.M-4.30 P.M] DATE: 5/02/2026

THIS QUESTION PAPER CONSISTS OF THREE (3) PAGES

PLEASE DO NOT OPEN UNTIL THE INVIGILATOR SAYS SO.

INSTRUCTIONS

ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS

QUESTION ONE: (30 marks)

- a) International agribusiness has changed historically throughout a number of significant periods. Discuss five factors that caused the developments. **(10 marks)**
- b) Expanding and diversifying agribusiness strategy internationally is never a simple undertaking due to the numerous hazards involved. Elaborate. **(10 marks)**
- c) Some scholars argue that free agribusiness trade eventually helps everyone. Others, however, believe that domestic governments have an obligation to protect local businesses from foreign competition. Argue your position in either case **(10 marks)**

QUESTION TWO: (20 marks)

- a) Does Aid for Trade really contribute towards improving agribusiness trade performance? **(6 marks)**
- b) There is an immediate need for simpler and more efficient regulations governing the agricultural sector. Discuss an area in the sector that require policy development **(6 marks)**
- c) The government has implemented policy initiatives to promote the growth of agriculturally based industries, particularly in export-oriented sectors, and to move toward a more open trading environment. Explain any four policies. **(8 marks)**

QUESTION THREE: (20 marks)

- a) There are several means of entering international markets that firms consider once they have decided on an international strategy. Discuss any four. **(10 marks).**
- b) The role of transnational corporations in the world economy is supported by the function they perform. Explain. **(10 marks)**

QUESTION FOUR: (20 marks)

- a) Corporate governance should be the foundation of decision making in agribusiness firms in order to create competitive advantage. Discuss some of the foundations of a good system of corporate governance. **(10 marks)**
- b) Understanding forex market is very important for a smooth flow of international goods and services. Define the theory of purchasing power parity giving an elaborate example. What are the underlying assumptions of the theory **(10 marks)**

QUESTION FIVE: (20 marks)

- a) Michael Porter identified four main determinants of national competitive advantage that agribusiness firms should consider to enhance competitiveness. Discuss **(10 marks)**
- b) The global environment affects organizational changes. How do agribusiness firms respond to the changing global economy? **(10 marks)**