

081105T4

Agripreneurship Level 5

AG/OS/AP/CR/01/5/A

Develop Agri-enterprise Business Plan

3 Hours

March /April 2023



THE KENYA NATIONAL EXAMINATIONS COUNCIL

WRITTEN ASSESSMENT

Time: 3 Hours

INSTRUCTIONS TO CANDIDATES

This paper has three sections A, B and C. Attempt questions in each section as per instructions given in the section.

Marks for each question are indicated in brackets.

Do not write on this question paper.

Write your answers in the answer booklet provided.

*Answer the questions in **English**.*

This paper consists of SEVEN (7) printed pages.

Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

SECTION A (20 MARKS)

Answer all questions in this section

1. The following are the components of a feasibility study except _____
 - A. Practicality
 - B. Marketing
 - C. Viability
 - D. Profitability of business
2. The following are purposes of an agri-enterprise business plan except _____
 - A. To secure financing
 - B. To outline business goals and strategies
 - C. To identify potential markets
 - D. To determine the profitability of an agri-enterprise
3. Cash flow projection refers to _____
 - A. A projection of revenue and expenses over a specific period
 - B. A projection of market demand for a specific crop
 - C. A projection of soil fertility for a specific field
 - D. A projection of labour requirements for a specific tasks
4. Which one of the following can an entrepreneur ensure in writing a business plan
 - A. Evaluate the feasibility of the business:
 - B. Meets his target revenue goals
 - C. Achieve his expense projection
 - D. Meets his loss
5. Which one of the following is a source of capital to start and run a business?
 - A. Embezzlement of funds
 - B. Charity
 - C. Loans from financial institutions
 - D. Employment
6. Which equation is **True**.
 - A. $\text{Assets} = \text{Capital} + \text{Liabilities}$
 - B. $\text{Liabilities} = \text{Capital} - \text{Assets}$

- C. Capital = Liabilities + Assets
D. Asset = Capital- Liability
7. The determinant of market selection is _____
- A. Market trends
 - B. Government policies
 - C. Firm related factors
 - D. Literacy levels
8. A feasibility study includes _____
- A. Single solution
 - B. Alternative solution
 - C. A statement of the problems
 - D. Financial statement
9. Which one of the following is a component of the 4Ps of marketing?
- A. Price
 - B. Preference
 - C. People
 - D. Parameters
10. The following are basis of a target market except _____
- A. Age
 - B. Gender
 - C. Income
 - D. Feasibility
11. _____ is evident when the entrepreneur tries to mislead the investor.
- A. Knowledge and experience
 - B. Lack of openness and honesty
 - C. Lack of financial planning
 - D. Commitment of the entrepreneur
12. The test for marketability could be divided into the following four categories:
- A. Products, services, needs and wants

- B. Industries, organizations, Agri-preneur and staff
 - C. Budgeting, cost control, credit management and managing debtors
 - D. Customers, competitors, suppliers and marketing of products and services
13. PESTLE stands for?
- A. Political, environmental, technological, legal, and environmental
 - B. Political, environmental, shareholding, technological, logistical, and e-marketing
 - C. Political, environmental, social, technological, legal, and environmental
 - D. Political, environmental, societal, technological, learning, and e-marketing
14. The purpose of marketing strategy in an agri-enterprise business plan is_____
- A. To identify the target market for the agricultural products or services
 - B. To determine the cost of production for the agricultural products or services
 - C. To develop a plan for managing the firm's resources
 - D. To conduct a risk assessment for the agricultural products or services
15. Choose the correct definition of evaluation.
- A. The process of monitoring goods and services within an enterprise.
 - B. The process of scouting and collecting views on the services provided.
 - C. The act of conducting a survey within a given enterprise.
 - D. The process of judging or calculating the quality, importance, amount, or value of something
16. Which one of the following does not affect the success of an enterprise?
- A. Decrease in disposable income
 - B. High unemployment rates
 - C. Trade restrictions
 - D. Inflation rates
17. The process of dividing a target market is called _____
- A. Market segmentation
 - B. Industry analysis
 - C. Marketing plan
 - D. Market analysis

18. Choose the strategy which helps in understanding competitors marketing strategy.
- A. Market analysis
 - B. Competitor's analysis
 - C. Growth plan
 - D. Marketing growth
19. The purpose of an operational plan in an agri-enterprise business plan is _____
- A. To provide an overview of the farm's marketing strategy
 - B. To describe the farm's production process and activities
 - C. To outline the farm's financial projections
 - D. To evaluate the environmental impact of the farm's activities
20. Which of the following financial statements is not included in an agri-enterprise business plan?
- A. Income statement
 - B. Balance sheet
 - C. Profit and loss account
 - D. Statement of cash flows

SECTION B: (40 MARKS)

Answer ALL questions in this section

21. Define the term Business strategy. (2marks)
22. State **Five** actors in the agricultural value chain. (5marks)
23. Outline the stages of Product Life Cycle. (4 marks)
24. List **Four** types accounting documents. (4marks)
25. State **Five** components of an accounting formula. (5Marks)
26. Highlight the advantages of primary data and secondary data. (6marks)
27. List **Four** sources of information used when preparing an Agri-enterprise business plan. (4marks)
28. Mention **Fives** management roles in an Agri enterprise. (5marks)
29. State **Five** benefits of staff motivation. (5marks)

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SECTION C: (40 MARKS)

Answer any TWO questions from this section

30. (a) Explain **Five** functions of wholesalers in the Agri-enterprise value chain. (10 marks)
(b) Outline the stages in Agricultural value chain. (10 marks)
31. (a) Explain factors considered when conducting a feasibility study of an agribusiness. (10 marks)
(b) Explain the components of a business plan. (10 marks)
32. (a) Define SWOT analysis as used in strategic planning. (2 marks)
(b) Describe the SWOT analysis. (8 marks)
(c) Explain the benefits of SWOT analysis. (10 marks)

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