



NATIONAL OPEN UNIVERSITY OF NIGERIA
91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
2020_1 EXAMINATION

Course Code: MKT301

Course Title: CONSUMER COOPERATIVE

Credit Unit: 2

Instructions:

- 1. Indicate your Matriculation Number clearly**
- 2. Attempt Question 1 and any other two (2) questions**
- 3. Question 1 is compulsory and carries 30 marks while the other 2 questions carry 20marks each**
- 4. Present all your points in coherent and orderly manner**

Time Allowed: 2 Hours

Question 1

Nigeria is the continent's leading consumer of rice, one of the largest producers of rice in Africa and simultaneously one of the largest rice importers in the world. As well as an important food security crop, it is an essential cash crop for it is mainly small-scale producers who commonly sell 80% of total production and consume only 20%. Rice generates more income for Nigerian farmers than any other cash crop in the country. (Food and Agricultural Organization in Nigeria, 2020) As at 2018, it was estimated that there were 12 million rice farmers in Nigeria. This number is on a steady increase, as the Nigerian Government has provided incentives to attract more farmers. Entry into the market is relatively easy.

- Considering the model of a perfect competition, argue for or against the notion that the Rice Industry in Nigeria is a perfect competition. **(10 marks)**
- What are the characteristics of perfect competition that are exhibited by the rice production industry in Nigeria? Discuss these characteristics in detail. **(15 marks)**
- State the core components of a perfect competition. **(5marks)**

Question 2

The United States of America, Canada, Chile, Germany and the United Kingdom have been described as Capitalist Economy. With that in mind answer the following questions:

- Describe the characteristics of a Capitalist economy that they possess. **(5 marks)**
- State the similarities and differences of Capitalism and Cooperative. **(15 marks)**

Question 3

- a. With the aid of a diagram describe the distribution channels of a cooperative society. **(10 marks)**
- b. State and briefly discuss the various functions of Vertical Integration of a Cooperative Society's distribution channel. **(10 marks)**

Question 4

- a. Outline and explain the problems of consumer cooperatives in Nigeria. **(10 marks)**
- b. Identify and discuss the factors that are mitigating against the growth of cooperatives societies in Nigeria **(10 marks)**

Question 5

Write short notes on the following concepts, describing their nature, explaining their differences and stating their strengths and weaknesses;

- a. Top-downwards Approach. **(10 marks)**
- b. Bottom-upwards Approach. **(10 marks)**