

DIPLOMA IN INSURANCE

Unit Name: AGRICULTURE INSURANCE

Unit Code: DIP 321

SAMPLE QUESTION

Madam X has for a long time been growing passion fruits under rain feed conditions. She is offered low prices when the conditions are good and she has produced a bumper harvest. The prices are high during the years when rainfall are deficient but she normally has no fruits to offer to the market. She is also unhappy as she feels that the government has not offered her any subsidies or any other help to date.

However, an agro-dealer has approached her to sign a contract for farming of passion fruits in her farm. She been told by the agro-dearer that the contract will also involve a bank assurance intermediary. She is optimistic that at last, her lot will improve and she intends to sign the contract.

- A. Explain to her four approaches she could have used to improve the prices paid to her. (8)
- B. Describe to her three associations she could have joined to improve her circumstances. (6)
- C. Explain three roles the bank assurance agency will play in her new approach to farming. (6)
- D. Explain four benefits she may get from contract farming. (8)
- E. Outline four tasks the government may have played to help her in improving her farm produce uptake price. (8)
- F. Explain to her three challenges she may still face even when practising contract farming. (6)