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2ND SEM. 2004/2005

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UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

PROGRAMME: DIPLOMA IN AGRICULTURE YEAR II

COURSE CODE: AEM 204

TITLE OF PAPER: COOPERATIVES STUDIES

TIME ALLOWED: TWO (2) HOURS

INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER
TWO (2) QUESTIONS

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QUESTION ONE

- a) What is a cooperative? (5 marks)
- b) Agricultural cooperatives are not social institutions but economic institutions. Hence, the need for the members to remain tied up with their cooperative in business. Discuss the basic requirements for promoting agricultural cooperatives in order to facilitate business operations. (15 marks)
- c) Why would a consumer co-operative, facing the same demand and cost conditions as a private monopoly, set a lower price and higher output, if it acted in the interests of its members? Compare the pricing and output of a consumer co-op with that of a profit-maximizing monopoly. What is the consumer co-op's pricing rule? (20 marks)

QUESTION TWO

In the eyes of people who have not learnt anything about cooperative, cooperatives are doing business just like any other investor-owned firm (IOFs). Yes, it is true that both groups are business minded but cooperatives are said to be unique. Comment on the uniqueness of cooperatives. (30 marks)

QUESTION THREE

Assume you were on holidays to your village and you were approached by a group of farmers who have planned to establish an agricultural cooperative but facing a stiff resistance by the youth in the village. The reason for the action undertaken by the youth is that such an association will bring disunity among the villagers. Having studied cooperatives at the university, you command a high respect among the youth. Given the chance to address the youth on this issue, how would you argue against their perception? (30 marks)

QUESTION FOUR

Directors in a cooperative occupy a key position between members and hired management. They are both users of its services and representatives of other members who depend on those same services. In line with the above assertion, discuss the role of directors in cooperative societies in Swaziland. (30 marks)