



105

1ST SEM. 2004/2005

PAGE 1 OF 3

UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

**PROGRAMME: BACHELOR OF SCIENCE IN AGRICULTURE
YEAR IV**

**AGRICULTURAL ECONOMICS AND
MANAGEMENT OPTION YEAR IV**

COURSE CODE: AEM 404

TITLE OF PAPER: INTRODUCTION TO BUSINESS MANAGEMENT

TIME ALLOWED: TWO AND A HALF (2½) HOURS

INSTRUCTION: 1. ANSWER ANY FOUR (4) QUESTIONS

2. ALL QUESTIONS CARRY EQUAL MARKS

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GRANTED BY THE CHIEF INVIGILATOR**

100

QUESTION ONE

- a) What is an entrepreneur? (2 marks)
- b) Using examples, briefly discuss the different forms of business organizations (10 marks)
- c) Management is important for the future of any business venture. Discuss the different management functions that business managers have to perform (13 marks).

QUESTION TWO

Mrs Dlamini is a farmer in the Malkerns area. She has 2 children. Her husband works as a factory worker at Matsapha. Mrs Dlamini uses 5ha of land to grow maize. For many years she has been growing maize and has not made good profits.

Because of her very low profits from cultivating maize, she thought about planting vegetables. But before she made a decision, Mrs Dlamini made a careful survey in the market of which types of vegetables are in demand and commands higher price. She went to several market places and found out that cabbages sell at a very high price and were in high demand. She went to an agricultural extension officer (horticulture specialist) and asked how cabbage is grown. Fortunately there was a workshop to be given on cabbage for 2 days. She attended the 2 day workshop and learned how to raise cabbage. Since the workshop was basically conducted through demonstration and field practicum, Mrs Dlamini learned how to plant, water, fertilize, weed and harvest cabbage. She also learned that on 5ha of land, she will need E2000 for land preparation, fertilizers, chemicals, labor and other incidental expenses.

Mrs Dlamini has only E1000. She went to Swazi Bank and requested for a loan of E1000 at a special interest rate of 10% per month. Then she went to the market place and secured the commitments from buyers for her cabbage produce. With a ready market for her cabbage, she started to grow cabbage in her land. She religiously followed what she had learned from the workshop she attended. She recorded all her production expenses on cabbage production.

After 3 months, she started harvesting cabbage and selling them to her buyers. She also recorded all her sales. Her total sales amounted to E6000. She made a profit of E4000. Out of the profit, she paid her loan of E1000 to Swazi Bank including the interest. All the rest of the profit, she reinvested in cabbage production by renting an additional 5ha of land from her neighbour (40 marks).

- a) Is Mrs Dlamini's business successful? What are the indicators of success or failure? (10 marks)
- b) What are the factors that contributed to her success or failure? (10 marks)
- c) Does the undertaking contribute to more self-reliance by Mrs Dlamini?, How ? (5 marks)

QUESTION THREE

As a student who studied business management, you have been invited by a group of youth in your area to give a talk on the factors that contribute to failure of most micro-business. Discuss how you will go about with your presentation. (25 marks)

QUESTION FOUR

(a) What do you understand by the term “business ethics” and what are the ethical issues in business management? (8 marks)

(b) How can business firms ensure that good ethical behaviour prevail within the organization? (10 marks)

(c) What do you understand by the term “social responsibility” in the business context? Discuss how may business firms go about implementing a social responsibility programme (7 marks)

QUESTION FIVE

Business planning is a process that helps us make key decisions and use of resources for maximum benefit. The purpose of business planning is not to decide what should be done in the future, but is to decide what should be done now to make desired things happen in an uncertain future. From the perspective of a business of your choice, discuss the process of planning and the resulting plan that will develop or enhance the services you would like to provide in the near future. (25 marks)