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UNIVERSITY OF SWAZILAND

SUPPLEMENTARY EXAMINATION PAPER

PROGRAMME: BACHELOR OF SCIENCE IN AGRICULTURE
YEAR V

AGRICULTURE (CP, HORT, AND APH OPTION
YEAR V)

COURSE CODE: AEM 506

TITLE OF PAPER: FARM BUSINESS III

TIME ALLOWED: TWO (2) HOURS

INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER
TWO QUESTIONS

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GRANTED BY THE CHIEF INVIGILATOR**

Question 1

The types of decisions people make depend on how much knowledge or information they have about situations. Most times it is necessary for one to have a business plan before embarking on any business venture. However, in the event of drafting the plan one encounters problems that have to be solved by relying on three major decision-making environments. Discuss the three decision-making environments.

(40 marks)

Question 2

In agribusiness production management is important in improving collecting, sorting, grading, processing, ~~manufacturing~~, packaging and transportation of agricultural products. All these take place within the production process.

- a) Discuss the process (15 marks)
- b) Discuss five special problems in agricultural production (15 marks)

Question 3

Profit is the difference between total revenue and total costs. It represents returns to invested resources. Discuss the forms of profit and differentiate between profit and Profitability.

(30 marks)

Question 4

A cash flow statement is a forecast of the cash position of the business for the immediate period ahead. Discuss the main features and the uses and advantages of a cash flow statement.

(30 marks)