



UNIVERSITY OF SWAZILAND

SUPPLEMENTARY EXAMINATION PAPER

1st SEMESTER 2008/2009

- PROGRAMME:** BSc. AGRICULTURAL ECONOMICS & AGRIBUSINESS MANAGEMENT
- COURSE CODE:** AEM 403
- TITLE OF PAPER:** AGRICULTURAL MARKETING
- TIME ALLOWED:** TWO (2) HOURS
- INSTRUCTIONS:** ANSWER ALL QUESTIONS. EACH QUESTION CARRIES A TOTAL OF 25 MARKS

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QUESTION 1

Write short notes on the following:

- a) Price discrimination [5 marks]
- b) Marketing margin [5 marks]
- c) Derived demand [5 marks]
- d) Risk bearing [5 marks]
- e) Hedging [5 marks]

QUESTION 2

- a) List and discuss the physical functions, specifying the roles they play in the development of the marketing system. [15 marks]
- b) Agricultural production in Swaziland has been affected, to a large extent, by poor market intelligence. What is your understanding of market intelligence? [10 marks]

QUESTION 3

- a) There is a notion that a monopolistic market is somehow a combination of both the pure market and the pure monopoly. Personally, I disagree with this statement. Do you agree or disagree? Justify your answer. [10 marks]
- b) Agricultural production occurs in different periods, whilst consumption is continuous. How would you ensure that availability of food remains uninterrupted throughout the year? [6 marks]
- c) Differentiate between price discovery and price determination. [5 marks]
- c) Describe the concept of formula pricing. [4 marks]

QUESTION 4

a) Graphically illustrate what effect an increase in the price of mealie meal would have on the price movement of rice over a period of years, assuming:

- i) the market demand for rice is more elastic than market supply;
- ii) the market demand for rice is less elastic than market supply.

[10 marks]

b) Why would any Government decide to effect a price support programme? Discuss what effects such a programme would have on producers, consumers and the Government itself.

[15 marks]