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UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

PROGRAMME: B.Sc II in Agricultural Economics and Agribusiness
Management

COURSE CODE: AEM 410

TITLE OF PAPER: AGRIBUSINESS MANAGEMENT THEORY

TIME ALLOWED: TWO (2) HOURS

INSTRUCTION: 1. ANSWER ALL QUESTIONS

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THE CHIEF INVIGILATOR**

Question 1

Discuss the various demand states that the product of an agribusiness firm can experience and the marketing tasks to adopt to meet the situation for optimal performance.

25 MARKS

Question 2

(a) What is job sequencing and the characteristics to consider in arranging the order to execute jobs?

10 MARKS

(b) Your firm got a contract for five jobs having due dates and operating time as stated below:

Job A's operating time and due date are 21 days and 35 days, respectively

The due date and operating time for Job B are 9 and 6 days, respectively

Job C's operating time and due date are 7 and 22 days respectively.

Job D has 16 days as due date and 4 days as operating time

The operating time and due date for job E are 8 and 13 days, respectively.

Determine the sequence of performing the job to suffer minimum penalty of not meeting due dates.

15 MARKS

Question 3

(a) Derive the Economic Order Quantity formula and indicate what each variable in the formula means.

10 MARKS

(b) The selling price of a unit of a commodity is E50 and its variable cost of production is E40. The components of fixed expenses are rent E100,000; Wages E450,000 and others E50,000.

15 MARKS

Calculate the break-even point in quantity

- i) At the present condition
- ii) If rent doubles and selling price increases by E10
- iii) If selling price decreases by E5 and variable cost increases by E2

At the present condition what quantity must be sold to make a profit of E100,000?

Question 4

(a) What is agribusiness and its components?

10 MARKS

(b) Discuss the functional view of management as it applies to agribusiness firm.

15 MARKS