



1ST SEM. 2012/2013

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**UNIVERSITY OF SWAZILAND
FINAL EXAMINATION PAPER**

PROGRAMME: **B.Sc. in Agricultural Economics and Agribusiness
Management 2**

B.Sc. Agricultural Education 2

B.Sc. Agronomy 2

B.Sc. Horticulture 2

B.Sc. Animal Science 2

B.Sc. Animal Science –Dairy 2

B.Sc. Agricultural Biosystems 2

B.Sc. Consumer Science 2

B.Sc. Consumer Science Education 2

B.Sc. Textile & Design Management 2

B.Sc. Food Science & Nutrition Technology 2

COURSE CODE: **AEM 203**

TITLE OF PAPER: **ENTREPRENEURSHIP**

TIME ALLOWED: **TWO (2) HOURS**

INSTRUCTION: 1. **ANSWER ALL ~~QUESTIONS~~ QUESTIONS**

2. QUESTION 25 MARKS EACH

**DO NOT OPEN THIS PAPER UNTIL PERMISSION HAS BEEN GRANTED BY
THE CHIEF INVIGILATOR**

Question 1

A. Ms. Paula produces and sells 10000 items per month at E6.70 each. For marketing, she incurs E6000/month while communication is at E1500.00. Delivery costs are at E7500.00 while stationery cost is at E500.00. She uses E12000.00 in total packaging, inputs and raw materials. Farm costs are E7500.00 per month and production labour @ E9000.00. Administrative salaries are at E12000.00 while he pays himself E8000.00 per month. Oil and equipment total E4000.00 per month. Water and electricity is E500 and E2500.00 for the production respectively. The Swaziland Revenue Authority expects Ms. Paula to pay VAT every month too.

Using the above information, prepare the following;

- 1) Cost of goods sold (5)
- 2) Break-even point (5)
- 3) A pro-forma income statement (5)

B. If Ms. Paula used E40 000.00 to start the business, of which E15 000.00 was financed by Nedbank. Compute :

- 1) Return on Investment (5)
- 2) Return on equity (5)

(Total 25marks)

Question 2

A. Distinguish between Solvency and Liquidity as observed in a business.

10marks

B. Discuss the six characteristics of an entrepreneur making entrepreneurship to have a meaningful contribution to the economy.

15marks

(Total 25marks)

Question 3

A. Discuss what market segmentation is and the segments composed thereof.

15marks

B. Discuss five types of budgets a business should use.

10marks

(Total 25marks)

Question 4

A. Discuss the five product decisions an entrepreneur should adopt from time to time in order to stay in the market.

15marks

B. Define the forms of financing an enterprise available for use by potential entrepreneurs.

10marks

(Total 25marks)