

2nd SEM. 2013/2014



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UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

PROGRAMME: BSc. in Agricultural Economics and Agribusiness
Management Year III

COURSE CODE: AEM 308

TITLE OF PAPER: AGRICULTURAL FINANCE

TIME ALLOWED: 2:00 HOURS

INSTRUCTION: ANSWER ANY FOUR QUESTIONS

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CHIEF INVIGILATOR

Question 1 [25 marks]

- a) Discuss the concept of agricultural insurance. (9 marks)
- b) What are the challenges of weather insurance? (16 marks)

Question 2 [25 marks]

Using *illuminating* examples, explain the role of co-operation in agriculture.

Question 3 [25 marks]

- a) Discuss the key financial requirements of a farmer. (8 marks).
- b) Why is finance considered a cause and effect of agriculture? (5 marks).
- c) What are the similarities and differences between 'production loans and investment loans'? (12marks).

Question 4 [25 marks]

- a) Discuss the concept 'economic feasibility tests of credit', outlining the three basic financial aspects to be assessed by the banker. (12 marks).
- b) Explain why returns from investment constitute an important measure in credit analysis. (13 marks).

Question 5 [25 marks]

Specify the model for testing repayment capacity.

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Question 6 [25 marks]

Discuss the paradigm change in Agricultural Finance.

END OF PAPER