

2nd SEM. 2014/2015



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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 QUESTION 1 AND ANY TWO QUESTIONS

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CHIEF INVIGILATOR

Question 1 (Compulsory) [40 marks]

- a) Illustrate the framework for value chain finance, showing links in financial services, value chain supplies and supporting services (24 marks)
- b) List and explain all the different classes and types of agricultural value chain finance instruments. (16 marks)

AND

Question 2 [30 marks]

- a) Using *illuminating* examples, illustrate the relevance of the 5Cs and 7Ps of credit. (24 marks)
- b) What are the remedies for poor risk-bearing capacity for farmers? (6 marks)

OR

Question 3 [30 marks]

- a) Discuss the functions of money. (12 marks).
- b) What is the role of a central bank in agricultural finance? (18 marks).

OR

Question 4 [30 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) What is the difference between a chattel and a mortgage? (6 marks)
- c) Outline the significance of agricultural finance. (12 marks)

END OF PAPER