



2nd SEM. 2016/2017

UNIVERSITY OF SWAZILAND

MAIN EXAMINATION PAPER

PROGRAMME: BSc. in Agricultural Economics and Agribusiness Management
Year 2

COURSE CODE: AEM 210

TITLE OF PAPER: COOPERATIVE MANAGEMENT

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Question 1

The following are clauses in the Cooperative Societies Act of 2003. Discuss each one fully (25 marks)

- i. A member of a cooperative shall not hold a fifth (1/5) of the share equity.
- ii. A company, registered under the Companies Act may, by a special directors' resolution, be converted into a cooperative.
- iii. The amendment of a by-law shall require at least a two-thirds majority, present and voting
- iv. At least fourteen (14) days' notice shall be given before the holding of an Annual General Meeting (AGM).
- v. A person shall not be eligible for membership in the Management Committee or remain a member if that person is insolvent.

Question 2

- (a) Why is equity capital referred to as "risk capital"? (5 marks)
- (b) Draw and explain an internal structure of a typical cooperative. (20 marks)

Question 3

- (a) Three (3) principles govern the cooperative ideology. Discuss them in order of importance (15 marks)
- (b) Members of a cooperative are the foundation on which the organization is built. As such, they have certain obligations to the cooperative. Discuss two (2). (10 marks)

Question 4

Discuss the following benefits of the cooperative movement. (25 marks)

- i. Market power
- ii. Coalition
- iii. Employment opportunities
- iv. Share in earnings
- v. Political action