



1<sup>st</sup> SEM. 2016/2017

Page 1 of 5

**UNIVERSITY OF SWAZILAND**

**FINAL EXAMINATION PAPER**

**PROGRAMME:** BSc. in Agric. Economics and Agribusiness Management Year 4  
BSc. in Animal Science Year 4  
BSc. in Animal Science (Dairy) Year 3  
BSc. in Food Science, Nutrition & Technology Year 4  
BSc. in Horticulture Year 4

**COURSE CODE:** AEM 402

**TITLE OF PAPER:** AGRICULTURAL MARKETING

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

**INSTRUCTION:** 1. ANSWER ALL QUESTIONS  
2. DO NOT WRITE ON THIS QUESTION PAPER  
3. ALL ANSWERS SHOULD BE WRITTEN IN THE BOOKLET PROVIDED

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

## SECTION A: MULTIPLE CHOICE QUESTIONS

(PICK THE MOST APPROPRIATE ANSWER, & EACH QUESTION CARRIES 2 MARKS)

1. The component parts of a market system include:
  - A) Product flows, variety of firms, and pricing of products.
  - B) Marketing channels, middlemen, marketing functions
  - C) The production, market, sellers and customers
  - D) All the above
  
2. The study of the physical and economic flow of products from the producer through intermediaries to the consumer can be termed as?
  - A) Marketing system
  - B) Marketing
  - C) Market Channel
  - D) None of the above
  
3. The Characteristics of agribusiness marketing systems include:
  - A) Institutional arrangements, which are necessary in the performances of its functions.
  - B) Planning and management decision structure that controls and coordinates the workforce.
  - C) Managing Production and communication throughout the value chain.
  - D) A & B
  - E) A& C
  
4. The agricultural and food marketing system consists of the following sub-systems:
  - A) Raw material, processing, marketing channel, and regulatory
  - B) Input, production, distribution, consumption and regulatory.
  - C) Raw materials, Processing, promotion, distribution, and regulatory
  - D) Raw material, production, control, distribution and consumer
  
5. The ..... are among the six components of the marketing system
  - A) Environmental subsystems, flow, functional and consumer
  - B) Input , Production, channel and consumer
  - C) Production, flow and final consumer
  - D) All the above
  
6. Which of the following is regarded as creation of utility?
  - A) Storage utility
  - B) Transport utility
  - C) Exchange utility
  - D) All the above
  - E) None of the above
  
7. The following are special characteristics which the agricultural sector possesses except
  - A) Always produced in abundance
  - B) Bulk
  - C) Perishable
  - D) require processing



8. Marketing function is defined as?
- A) Service or physical process required to give a product the utility consumer's desire
  - B) Exchange of goods by selling for money paid by the buyer
  - C) Process of handling, movement and physical change of the actual commodity itself
  - D) The number and kinds of business firms that perform the marketing task.
9. Marketing facilitation functions include
- A) Buying and selling
  - B) Storage, transport and processing
  - C) Standardization, financing, and risk bearing
  - D) Storage, standardization, buying and selling
10. Which market systems ensures that everybody is knowledgeable/ informed about the economy?
- A) Monopoly
  - B) Oligopoly
  - C) Monopolistic competition
  - D) Pure competition
11. Who determines the Equilibrium price?
- (A) Consumers and demand forces
  - (B) Producers and supply forces
  - (C) Market forces
  - (D) Natural forces
12. Suppose a firm is producing 100 units of output, incurring a total cost of E10 000 and total variable cost of E6000. It can be concluded that average fixed cost is
- (A) E40.
  - (B) E60.
  - (C) E100.
  - (D) E160.
  - (E) E4000.
13. Assume that the market for bread begins in equilibrium. Then, there is a decrease in a price of Wheat flour used in the production of bread. When the new equilibrium is reached,
- (A) the price and quantity of bread will both have risen
  - (B) the price and quantity of bread will both have fallen
  - (C) the price of bread will have risen and the quantity will have fallen
  - (D) the price of bread will have fallen and the quantity will have risen
15. Mr Dlamini spends cost of supplies of E10, labour costs of E10 and his overhead cost are 10% of variable costs, using cost pricing what would be the retail price of the good?
- A) E88
  - B) E20
  - C) E22
  - D) E44
16. The listed are some of the marketing communications key objectives
- A) Differentiating the product or service
  - B) Stimulation of demand
  - C) Controlling sales.
  - D) Regulating prices
17. Which form of marketing communication is best described by this statement "Employs short-term incentives and its effects tend to be short-term?"
- A) Advertising
  - B) Sales promotion
  - C) Personal selling
  - D) Publicity



18. If the value added to the marketing system is E20 and the real cost value of marketing is E5, then the market efficiency is said to be?
- A) Efficient  
B) More efficient  
C) Inefficient  
D) Effective
19. Given the retail price of 1 kg of tomatoes as E25, farmers share on retail price is 38.0% what is the estimated marketing margin of this farmer?
- A) E15.5  
B) E9.5  
C) E 34.5  
D) E25
20. As a farm manager what would be the best way of reducing market price fluctuation?
- A) Improve storage facilities  
B) Crop insurance  
C) Avail information whenever needed  
D) consider the marketing channel
21. Which of the methods of reducing market price risk is described by this statement "the activities of buying and selling are not necessarily opposed to each other"?
- A) Hedging  
B) Speculation  
C) Future markets  
D) All the above
22. Which of the following is not a reason to erect trade barriers?
- A) Encourage local production.  
B) Reduce reliance on foreign suppliers.  
C) Promote import activity.  
D) Protect local jobs
23. Suppose a firm is producing 100 units of output, incurring a total cost of E10 000 and total variable cost of E4000. It can be concluded that average fixed cost is
- A) E40.  
B) E60.  
C) E100.  
D) E160.  
E) E4000.
24. If a Swaziland (SD) firm sold \$10 billion of machinery in South Africa and the USA dollar declined against the South African currency:
- A) The Swaziland firm will report more revenue (in terms of Rand) than if the US dollar had remained stable.  
B) The SD company will make sure that the difference is paid back to its affiliate.  
C) The SD firm will report less revenue (in terms of rand) than if the US dollar had remained stable.  
D) The SD company will move funds to the home country
25. At a price of £11.00, quantity demanded is 90; and at a price of £9.00, quantity demanded is 110. The price elasticity of demand is:
- A) -1  
B) -1.22  
C) 0.1  
D) 0  
E) -0.82



## SECTION B

QUESTION 1

- a) Mr. Sibusiso is a human resource manager and his company wants to recruit a marketing manager, he has hired you as a consultant to advise on the recruitment process. Marketing managers are responsible for most of the activities necessary to create the customers the organization wants; what are these activities?  
(5 Marks)
- b) There are different concepts in agricultural marketing management. With examples discuss these marketing management concepts  
(20 Marks)

QUESTION 2

- a) Calculate the price elastic of demand of good X and cross elasticity of demand YX using the information provided in the Table below.

Good X	Price X	Good Y	Price Y	Price Elasticity of Demand for good X	Cross Price Elasticity of Demand YX
1	30	5	80		
3	26	10	70		
5	20	15	60		
7	18	20	50		

(6 Marks)

- b) In a few sentences explain the four forms of agricultural marketing communications  
(4 marks)
- c) As a market specialist, explain with available theories, the need for Swaziland to trade with other countries, and give examples.  
(9 Marks)
- d) Agricultural marketing plays an important role not only in stimulating production and consumption, but in accelerating the pace of economic development. Its dynamic functions are of primary importance in promoting economic development. For this reason, it has been described as the most important multiplier of agricultural development. Describe three indicators on how agricultural marketing impacts economic development.  
(6 Marks)