

2nd SEM. 2018



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UNIVERSITY OF SWAZILAND

RE-SIT/SUPPLEMENTARY EXAMINATION PAPER

PROGRAMME: BSc. in Agricultural Economics and Agribusiness

Management Year IV

COURSE CODE: AEM 408

TITLE OF PAPER: AGRIBUSINESS MANAGEMENT

TIME ALLOWED: 2: 00 HOURS

INSTRUCTION: 1. ANSWER ALL FOUR QUESTIONS
2. EACH QUESTION CARRIES 25 MARKS

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CHIEF INVIGILATOR

Question 1

- a. How are cooperatives able to capture profits at another level? (5 marks)
- b. Explain how accounting difference pose challenges in the international market and how an agribusiness firm can deal with the associated challenges. (10 marks)
- c. Managing a marketing program in an agribusiness can be a complex task, particularly in larger firms with many products. Explain one marketing planning management tool you can advise an agribusiness manager to use. (10 marks)

Question 2

- a. Explain why planning is regarded as the most important function of management. (8 marks)
- a. Professional agribusiness managers view decision-making as a process & use analytical tools to help make decisions whenever feasible. Describe the decision-making process for selecting a business investment. (8 marks)
- b. Differentiate between vertical coordination and vertical integration as explained in supply chain management. (marks 9)

Question 3

- a. Illustrate and explain the Bent-arrow concept in conjunction with the product life cycle. (15 marks)
- b. Financial management enables the agribusiness manager to interpret financial information from the firm's records. Explain the criteria for designing financial statements. (10 marks)

Question 4

- a. Mr Dlamini owns a farm at Luyengo. His financial records indicate that the land and buildings in the farm are valued at E2,000,000, furniture is E12,000. He has 10 bags of 50kg sweet potatoes (each bag is E100) in the storeroom. Three neighbours owe him E3,200 for the sweet potatoes they took. He received a statement from the bank that he has E5,800. To set up the farm he contributed E1,700,000 and took E440, 000 as a loan which he will pay in 5 years. Mr Dlamini needs to pay farm chemicals E20,000 for the chemicals he took on credit. Mr Dlamini also acquired farming implements which are valued at 138,000. Prepare a balance sheet for Mrs Dlamini's sweet potato business. (25 marks)