UNIVERSITY OF ESWATINI
DEPARTMENT OF AGRICULTURAL ECONOMICS & MANAGEMENT

FINAL EXAMINATION PAPER

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

COURSE CODE: AEM 401/402

TITLE OF PAPER: AGRICULTURAL MARKETING AND PRICE ANALYSIS

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

QUESTION ONE

Below are multiple choice questions related to principles of marketing, please pick the most appropriate answer. Each question carries 2 marks.

1.1. Which of the following best defines marketing?
A) The maximisation of company sales
B) Improving the market share of organisations
C) Matching the resources of organisations with identified customer needs
D) Increasing the profitability of buyer - supplier relationships

1.2. Which of the following is not one of McCarthy's Four P's?
A) Profit
B) Place
C) Price
D) Product

1.3. In a market with a small number of high value buyers which promotional technique is most appropriate?
A) Public relations (PR)
B) Point of sale displays
C) Advertising
D) Personal selling

1.4. The four utilities include?
A) Exchange, processing, transporting, distribution, possession
B) Form, processing, time and transport
C) Time, form, place and exchange
D) All the above
E) None of the above

1.5. The buying process starts when the buyer recognizes a ....
A) Product
B) an advertisement for the product
C) a salesperson from a previous visit
D) problem or need

1.6. The physical functions in marketing include.............................
(A) Standardisation, financing, risk management, market intelligence
(B) Buying and selling
(C) Processing, transport, Storage
(D) Standardisation, processing, storage, distribution

1.7. The controllable variables a company puts together to satisfy a target group is called?
(A) Marketing strategy
(B) Marketing mix
(C) Strategic planning
(D) Marketing concept

1.8. Which of the following best describes the consumer's preference for products that are widely available to them?
(A) Marketing concept
(B) Production concept
(C) Selling concept
(D) Product concept

1.9. Demographic segmentation refers to:
(A) The description of the people and their place in society
(B) The description of the people's purchasing behavior
(C) The location where people live
(D) Geographic regions

1.10. Marketing is a ------------- process.
(A) Goal oriented
(B) All of these
(C) Exchange
(D) Social

1.12. Market structure may be defined as...
(A) The size of the market
(B) The physical layout of the market
(C) Organizational characteristics of the market affecting the nature of competition, pricing and conduct of firms
(D) Market sharing and price setting policies

1.13. A company that is 'slowly dying' can be said to be:
(A) Efficient and ineffective
(B) Efficient and effective
(C) Ineffective and inefficient
(D) Effective and inefficient

(TOTAL MARK 26)

QUESTION TWO

Below are multiple choice questions related to the theory of price analysis, please pick the most appropriate answer. Each question carries 2 marks.

2.1. A farmer decides to stop growing crop A and instead use the land to grow crop B. The amount of potential profit lost by not growing crop A represents the farmer's:
A) Variable costs.
B) Fixed costs.
C) Marginal costs.
D) Opportunity costs.

2.2. If a farmer produces 8 units of output, average fixed cost is E12.50 and average variable cost is E81.25, then total cost at this output level is:
(A) E93.75
(B) E97.78
(C) E750
(D) E880

2.3. Given the retail price of the can of pineapple from Swazi Can as E30 and make a marketing margin of 15 and the company's returns per can is 6, what is the company's share?
(A) 15%
(B) 23%
(C) 50%
(D) none of the above

2.4. At a price of E11.00, quantity demanded is 90; and at a price of E9.00, quantity demanded is 110. The price elasticity of demand is:
A) -1
B) -1.22
E) -0.82
C) 0.1
D) 0

2.5. 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) E160
E) E60
C) E100.
D) E4000.

2.6. 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) E25

B) E9.5

C) E 34.5

D) E15.5

2.7. The .... is a pricing objective where the pricing decisions of managers have more to do with sales maximization than profit maximization.

A) Profitability Objectives

B) Competition Objectives

C) Volume Objective

D) Strategic Objective

2.8. Overhead costs are also known as

A) Employees' salaries

B) Fixed costs

C) Labour wages

D) Variable costs

2.9. Marketing price risks can be minimized through:

A) Dissemination of price information to all sections of society over space and time

B) Selling products in large volumes

C) Insurance of the product

D) None above

2.10. The Purchase or sale of a commodity at the present price with the object of sale or purchase at some future date at a favourable price is called.

A) Hedging

B) Insurance

C) Future markets

D) Speculation

2.11. In price theory, demand shifter include?...............................

(A) Availability of substitutes

(B) Number of uses to which a commodity can be put

(C) Price of complementary product

(D) Degree of commodity aggregation

(E) None of the above

2.12. The sign of income elasticity is less than 1 if.....................

(A) Necessity good

(B) Inferior good

(C) Luxury good

(D) None of the above

(TOTAL MARK 24)

QUESTION 3

a) Although Swaziland is regarded as a low-middle income country, its agricultural sector is faced with persistent challenges that hinder the smooth operation of agro-produce marketing system. Briefly describe at least five challenges faced by Swaziland agricultural marketing, and suggest possible solutions to these challenges.

(20 Marks)

b) Define marketing risk and with examples, describe the two types of risks associated with marketing and suggested solution of minimizing the corresponding risks?

(5 Marks)

QUESTION 4

a) As a marketing expert, list at least 10 ways in which agricultural price fluctuation affects Eswatini Economy.

(10 Marks)

b) Calculate the price elastic of demand of good X and cross elasticity of demand XY using the information provided in the Table below.

Good X	Good Y	Price X	Price Y	Price Elasticity of Demand for good X	Cross elasticity of Demand e^{xy}
2	10	60	30		
3	12	55	26		
4	14	50	22		
5	16	45	18		
6	18	40	16		
7	20	35	12		

(10marks)

c) A rural farmer wants to engage in small-scale commercial farming and indicates that she spent E5 per seedling and E5 for labour per unit output. The farmer's overhead costs were estimated at 10%. As an agricultural marketing student, help farmer to estimate the most profitable wholesale price and retail price of the product.

(5 Marks)

**************************WISH YOU SUCCESS*******************************