

2nd SEM. 2019



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UNIVERSITY OF ESWATINI

RE-SIT/SUPPLEMENTARY EXAMINATION PAPER

PROGRAMME: BSc. in Agricultural Economics and Agribusiness

Management Year IV

BSc. in Agronomy Year IV

COURSE CODE: AEM 408/406

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

What do you understand about the following statements in agribusiness management? (5 marks each)

- a. Leverage
- b. Budget control
- c. The concept of mutual mandate on the partnership form of business organization
- d. Product-driven marketing concept
- e. Capital investment

Question 2

- a. What are the steps an agribusiness manager/ farm manager needs to follow when carrying out capital budgeting process? (10 marks)
- b. Pick a food product or an agricultural input. Use the total product concept to break the product to classify the product. (12 marks)
- c. What do you understand by the strategic alliance management concept? (3 marks)

Question 3

- a. What are focus group interviews? Can a small agribusiness firm use this tool? (10 marks)
- b. What is the difference between tactical and contingency management planning? (10 marks)
- c. List any 5 sources of finance you learnt in class. (7 marks)

Question 4

- a. Mr Dlamini owns a farm at Luyengo. His financial records of December 2016 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)