2nd SEM. 2019/2020

UNIVERSITY OF ESWATINI

FINAL EXAMINATION PAPER

PROGRAMME: BSc. Degree in Agricultural and Applied Economics

COURSE CODE: AEM 406

TITLE OF PAPER: Agribusiness Management

TIME ALLOWED: THREE HOURS

INSTRUCTION: ATTEMPT ALL QUESTIONS, EACH QUESTION CARRIES 25 MARKS

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

1. "It is the circumstances of ownership that gives an organization its definite legal form".

    (a) Discuss this in relation to the key factors guiding the best form of agribusiness organization for a potential owner.

    (b) Which form of agribusiness organization would you suggest for a resource poor farmer in Eswatini and why?

2. Maziya, is budgeting for the following results;

		E
Sales at E120 each		120,000
Less		
Variable costs	80,000	
Fixed costs	30,000	110,000
Profit		10,000

(a) What is the beak-even point?

(b) Describe the purpose of break-even analysis

(c) Estimate what will be the company profit for E144, 000 sales.

(d) Estimate the sales required to give a profit of E8,000

(e) What are the limitations of breakeven analysis?

3. (a) What are the major problems involved in credit delivery to small agribusiness enterprises in Eswatini?

(b) Provide suitable suggestions that can be applied to make credit more accessible to small scale farmers in Eswatini

(c) In what ways can a lender assess the borrower's credit worthiness?

4. Farm records have been said to be at the root of the success or failure of a business organization. Discuss this with relevant evidences from agribusiness.