



UNIVERSITY OF SWAZILAND

Department of Agricultural Economics & Management

SUPPLEMENTARY EXAMINATION PAPER

PROGRAMME: BSc. AGRICULTURE AND AGRIBUSINESS MANAGEMENT

COURSE CODE: AEM 408

TITLE OF PAPER: AGRIBUSINESS MANAGEMENT

TIME ALLOWED: TWO (2) HOURS

INSTRUCTION:

1. ANSWER ALL QUESTIONS
2. WRITE YOUR ANSWERS IN THE PROVIDED EXAMINATION ANSWER FOLDER.
3. EACH QUESTION CARRIES 25 MARKS

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CHIEF INVIGILATOR**

QUESTION ONE

Mr. MTG Dlamini's farm accounts department provided the information necessary to prepare a position statement. Based on the available information, prepare a position statement of his farm, estimate and interpret the profitability, liquidity and solvency ratios.

Item	Amount
Land	400,000
Accounts receivable	2, 000
Accounts Payable	5, 500
Machinery and equipment	55,000
Cows	15,000
Calves	4,000
Sows and boars	10,000
Market hogs	40,000
Checking and savings	12,800
Wheat	5,000
Hog buildings	60,000
Feed and hay	7,500
Accrued interest owed	16,000
Accrued taxes owed	15,000
House	65,000

30-year land loan balance is E195, 000 (E10, 000 plus interest due February 1 of each year)

10-year hog building loan balance is E45, 000 (E12, 000 plus interest due August 31 of each year)

5-year tractor loan balance is E35, 000 (E2, 000 plus interest on quarterly basis)

QUESTION TWO

(25 Marks)

- i) The following information was extracted from Sibanze & Dlamini Agro-Enterprise Limited books of accounts as at December 31, 2016. Using the information provided in the table, prepare an income statement for the enterprise

Item	Accounts (SZL)
Capital	120 000
Drawings	30 000
Debtors	90 000
land	100 000
Wages	60 000
Electricity	20 000
Sales	200 000
Stationary	20 000
bonds	50 000
Discounts received	20 000
Cash at bank	2 000 000
Cash at hand	50 000
Stock January 1 st 2016	200 000
Office administration	100 000
Purchase returns	20 000
Sales discounts	10 000
purchases	500 000
Stock December 31 st 2016	150 000

(15 Marks)

- ii) Write brief notes on four functional approaches to management?

QUESTION THREE

(10 marks)

- i) A group of students are completing their first degree in Agribusiness management and worried of the next step of job hunting; however they can join any type of business. What are the main forms of business they can establish or join? And what are the benefits from Agricultural Cooperatives and advantages of cooperatives.

(15 Marks)

- ii) Agribusiness management involves making decisions that tend to maximize profits consistent with the operators' objectives, thus, a manager has to make decisions including? And in general, what are the parts/sections that makeup the Agribusiness vertical structure?

(10 Marks)

QUESTION FOUR

- a) What is supply chain management and its objectives?

(8 Marks)

- b) What are the four key marketing communication channels?

(12 Marks)

- c) Identify at least 5 challenges faced by agribusiness in the international trade

(5 Marks)