



**UNIVERSITY OF SWAZILAND
DEPARTMENT OF AGRICULTURAL ECONOMICS & MANAGEMENT**

FINAL EXAMINATION PAPER

PROGRAMME: BSc. in Agric. Economics and Agribusiness Management Year 4
BSc. in Animal Science Year 4
BSc. in Animal Science (Dairy) Year 3
BSc. in Food Science, Nutrition & Technology Year 4
BSc. in Horticulture Year 4

COURSE CODE: AEM 402

TITLE OF PAPER: AGRICULTURAL MARKETING

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: MULTIPLE CHOICE SUB-QUESTIONS**(PICK THE MOST APPROPRIATE ANSWER, & EACH QUESTION CARRIES 2 MARKS)**

- 1.1. Good marketing is no accident, but a result of careful planning and -----.
- (A) Execution (C) Research
(B) Selling (D) Strategies
- 1.2. The ----- function of marketing makes the products available in different geographic regions.
- (A) Production (C) Distribution
(B) Selling (D) Promotion
- 1.3. Ensuring the availability of the products and services as and when required by the customers is ----- utility.
- (A) Time (C) Form
(B) Place (D) Possession.
- 1.4. Transportation belongs to ----- function of marketing.
- (A) Research (C) Physical function
(B) Exchange (D) Facilitating function.
- 1.5. ----- is a process of identifying the areas of market that are different from one another.
- (A) Marketing (C) Promotion
(B) Segmentation (D) Targeting.
- 1.6 From a producer's or seller's point of view of the marketplace, the four Ps of the marketing mix are product, price, place, and promotion. In this age of knowing your customer, the four Ps might better be described as the four Cs. Which list below of four Cs best matches in order with the four Ps? product, price, place, and promotion
- (A). customer character, customer control, customer coverage, & customer collateral
(B). customer solution, customer cost, convenience, and communication
(C). customer, customer, customer, and customer
(D). character, capital, corner, and calling
- 1.7. The ----- concept holds that consumer will favour those products that offer the most quality, innovative features.
- (A) Production (C) Product
(B) Marketing (D) Selling.
- 1.8. ----- segmentation classifies consumers on the basis of age, sex, income, and occupation.
- (A) Psychological (C) Demographic
(B) Geographic (D) Behavioral
- 1.9. The unique way in which a firm combines its product, price, promotion, and place strategies to appeal to its customers is called the
- (A). marketing mix (C). merging strategies
(B). marketing process (D). the four Ps

- 1.10. Which of the following statements best describes market price?
(A). the profit maximizing price for a company's product
(B). the highest price that the company can charge for the product
(C). the price where all company's producing the product will make a profit
(D). the price where customers will buy all the producers will sell
- 1.11. A peanut butter processing plant is adding _____ utility when producing peanut butter.
(A). Form (D). Time
(B). Place (E). None of the above
(C). Possession
- 1.12. Buying and selling are the _____.
(A). Storing functions of marketing (D). Logistics functions of marketing
(B). Physical functions of marketing (E). None of the above
(C). Facilitating functions of marketing
- 1.13. The customer focused philosophy is known as the ----- concept.
(A) Production (C) Selling
(B) Product (D) Marketing.
- 1.14. In the traditional ----- concept, the main strategy of the company is to find customers for the product manufactured by them and somehow convince the customer into buying this product.
(A) Selling (C) Production
(B) Product (D) Marketing
- 1.15. Setting a price below that of the competition is called:
(A) Skimming (C) Penetration pricing
(B) competitive pricing (D) None of the above
- 1.16. Marketing evaluation and ----- process are necessary to understand the efficiency and effectiveness of marketing activities and how both could be improved.
(A) Control (C) Consumer behavior
(B) Feedback (D) Measurement.
- 1.17. Which of the following is not included in the function of physical supply?
(A) Standardization (C) Packaging
(B) Storage (D) Transportation
- 1.18. Marketing is a ----- process.
(A) Goal oriented (C) Exchange
(B) Social (D) All of these.
- 1.19. When there is a large potential market for a product, the firm will adopt:
(A) Skimming price policy (C) Premium price policy
(B) Penetration price policy (D) none of these.

- 1.20. Suppose a firm is producing 50 units of output, incurring a total cost of E 5000 and total variable cost of E2500. It can be concluded that average fixed cost is
- (A) E50 (C) E5000.
(B) E40 (D) E160.
(E) E2500.
- 1.21. Which market systems ensure that there is more barriers to entry in the economy?
- (A) Monopoly (C) Oligopoly
(B) Monopolistic competition (D) Pure competition
- 1.22. Mr Dlamini spends cost of supplies of E20, labour costs of E5 and his overhead cost are 10% of variable costs, using cost pricing what would be the retail price of the good?
- (A) E25 (C) E100
(B) E50 (D) E110
- 1.23. If the value added to the marketing system is E20 and the real cost value of marketing is E5, then the market efficiency is said to be?
- (A) Efficient (C) Inefficient
(B) More efficient (D) Effective
- 1.24. Given the retail price of 1 kg of tomatoes as E15, farmers share on retail price is 25.0% what is the estimated marketing margin of this farmer?
- (A) E3.75 (C) E15.25
(B) E11.25 (D) E28.75
- 1.25. 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 (C) 0.1
(B) -1.22 (D) 0
(E) -0.82
- 1.26. Suppose a firm is producing 60 units of output, incurring a total cost of E10 000 and total fixed cost of E4000. It can be concluded that average variable cost is:
- (A) E40. (C) E100.
(B) E60. (D) E160.
(E) E4000.
- 1.27. The pattern of behaviour of firms in relation to pricing and their practices is called....
- (A) Market performance (C) Market integration
(B) Market conduct (D) Market function
- 1.28. The marketing communications key objectives include:
- (A) Provision of information (C) Differentiating the product or service
(B) Stimulation of demand (D) All the above

1.29. 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 (C) Future markets
(B) Speculation (D) Insurance

1.30. Which of the following factors influence trade?

- (A) The relative price of factors of productions.
(B) Government.
(C) The stage of development of a product.
(D) All of the above

QUESTION TWO

- a) With examples, identify three bases of market segmentation

(15 arks)

- b) Swaziland is a net food importer and its small-scale maize farmers are faced with high risks of market price competition as imports may bare low price. What should be done to minimize these market price risks?

(5 Marks)

QUESTION THREE

- a) There are basically three methods by which the countries try to reduce its imports of some goods. With well labeled diagrams, explain how the three methods are manipulated to reduce/restrict imports in Swaziland.

(10 Marks)

QUESTION FOUR

- a) Calculate the price elasticity 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 Marks)

- b) Inadequate storage facilities are the cause of heavy losses of agricultural produce in many parts of the world. This results in a serious wastage of foodstuffs and increased costs to consumers. Carefully suggest the three ways in which an effective storage facility can be achieved.

(4 marks)

*****GOOD LUCK*****