



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

SUPPLEMENTARY 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

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CHIEF INVIGILATOR**

QUESTION ONE: MULTIPLE CHOICE SUB-QUESTIONS

(PICK THE MOST APPROPRIATE ANSWER, & EACH QUESTION CARRIES 2 MARKS)

In sub-questions 1.1 to 1.6 below, match the following price objectives and given Statements:

Qn	Pricing strategy	#	Statement
1.1	Cost-Plus	A	Includes quality pricing and price line pricing
1.2	Market-oriented	B	Involves cash rebates and warranties
1.3	Psychological pricing	C	Defined as those which are imposed on the market by some external body
1.4	Promotional pricing	D	Example of such pricing strategy is FOB
1.5	Administered pricing	E	Includes the production and marketing expenses
1.6	Geographical pricing	F	Include price skimming or penetrating and discriminatory pricing.

1.7. 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 (C) E880
(B) E97.78 (D) E750

1.8. 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% (C) 23%
(B) 50% (D) none of the above

1.9 Comparative advantage

- (A) Exists only when one producer can make the product using fewer resources than any other producer
(B) Leads to the most efficient allocation of resources and the greatest combined output
(C) Eliminates specialization, so that each country produces all of its own needs independently
(D) None of the above

1.10. A marketing-oriented company, management believes corporate goals can be achieved by:

- (A) Reducing costs (C) Satisfying customer needs profitably
(B) Making better quality products (D) Increasing production efficiency

1.11. A company that is 'slowly dying' can be said to be:

- (A) Efficient and ineffective (D) Ineffective and inefficient
(B) Efficient and effective (C) Effective and inefficient

1.12. Measurement of marketing performance where achieving of goals without consideration of the cost can simply be termed as

- (A) Effectiveness (C) Efficiency
(B) Non-cost effectiveness (D) Pricing efficiency

- 1.13. Key factors that influence variation in costs of agricultural products include:
(A) Management risk (C) At least one of the above
(B) Information asymmetry (D) none of the above
- 1.14. Marketing is a ----- process.
(A) Goal oriented (C) Exchange
(B) Social (D) All of these
- 1.15. Anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need is called a (n):
(A) Product (C) Demand
(B) Idea (D) Service
- 1.16. Whether to sell via intermediaries or directly to consumers, how many outlets to sell through, and whether to control or cooperate with other channel members are examples of decisions marketers must make about
(A) Distribution (C) Price
(B) Promotion (D) Product
- 1.17. Which of the following best defines marketing?
(A) The maximisation of company sales
(B) Matching the resources of organisations with identified customer needs
(C) Improving the market share of organisations
(D) Increasing the profitability of buyer - supplier relationships
- 1.18. Price elasticity of demand tend to be larger
(A) For necessities than for luxuries
(B) When producers have good alternatives available
(C) The larger are the number of uses for a good
(D) The higher are the opportunity costs of production
- 1.19. Market structure may be defined as.....
(A) The size of the market
(B) The physical layout of the market
(C) Market sharing and price setting policies
(D) Organizational characteristics of the market affecting the nature of competition, pricing and conduct of firms
- 1.20. A monopolist will maximise his profits by producing the level of output where.....
(A) Profit per unit is the greatest
(B) Marginal revenue is maximised
(C) Total revenue is maximised
(D) It maximises the difference between total cost and total revenue
- 1.21. A firm identifies the target market, needs and wants of customer through
(A) Marketing research (C) Concept
(B) Planning (D) Segmentation

- 1.22. In price theory, demand shifter include:.....
(A) Availability of substitutes (D) Degree of commodity aggregation
(B) Number of uses to which a commodity can be put (E) None of the above
(C) Price of complementary product
- 1.23. The sign of income elasticity is less than 1 if.....
(A) Necessity good (C) Luxury good
(B) Inferior good (D) None of the above
- 1.24. The physical functions in marketing include.....
(A) Standardisation, financing, risk management, market intelligence
(B) Processing, transport, Storage
(C) Buying and selling
(D) Standardisation, processing, storage, distribution
- 1.25. One traditional depiction of marketing activities is in terms of the marketing mix or four Ps. The four Ps are characterized as being.....
(A) Product, positioning, place, and price (C) Promotion, place, positioning, and price
(B) Product, production, price, and place (D) Product, price, promotion, and place
- 1.26. Which of the following element does not qualify when describing monopoly market structure?
(A) One firm operating in the market (C) Higher barriers to entry
(B) Uncontrolled mobility of resources (D) No close substitutes
- 1.27. The controllable variables a company puts together to satisfy a target group is called? ...
(A) Marketing strategy (C) Strategic planning
(B) Marketing concept (D) Marketing mix
- 1.28. Which of the following best describes the consumer's preference for products that are widely available to them?
(A) Marketing concept (C) Selling concept
(B) Production concept (D) Product concept
- 1.29. 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
- 1.30. Which of the following reflects the marketing concept philosophy?
(A) "You won't find a better deal anywhere".
(B) "When its profits nurses customers' needs, profits will always win out."
(C) "We are in the business of making and selling superior products."
(D) "We don't have a marketing department, we have a customer department".

QUESTION TWO

- a) With examples, explain reasons why Swaziland should practice protectionism in international trade?

(14 arks)

- a) What are the key characteristics of the market structure theoretical models listed, Give examples: Perfect or pure competition, Oligopoly, Monopoly.

(6 Marks)

QUESTION THREE

- a) Marketing communications are intended to both inform and persuade a target audience, with a view to influencing the behavior of customers. Thus, marketing communications serve five key objectives. What are these five key objectives?

(5 Marks)

- b) In the same conversation in (a) above, Mr. Dlamini the company manager complains about the fluctuation in sales of new products on the market and needs your consultation on whether he should carry out a market research. As a marketing specialist identify for him at least five importance of marketing research.

(5 Marks)

QUESTION FOUR

- a). Fill in the corresponding type of price elasticities of demand

Value of Elasticity	Interpretation	Type
$e = 0$	Quantity demanded does not change at all in response to price changes.	
$0 > e > (-)1$	Quantity changes by a smaller amount than price.	
$e = (-)1$	Quantity changes by the same amount as price.	
$(-) 1 > e > (-) \infty$	Quantity changes by a larger amount than price.	
$e = (-) \infty$	Consumers will purchase all they can at a particular price but none of the product at all above that price.	

(5 Marks)

- b) The agriculture marketing in sub-Saharan Africa is still faced with challenges, define agricultural marketing, and identify two agricultural marketing problems faced by Swaziland and suggest solutions to these problems.

(5 Marks)

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