



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

SUPPLEMENTARY/RE-SIT EXAMINATION PAPER

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

COURSE CODE: AEM 401/402

TITLE OF PAPER: AGRICULTURAL MARKETING & PRICE ANALYSIS

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

Below are multiple choice questions related to principles of marketing, please pick the most appropriate answer. Each question carries 2 marks.

- 1.1 The component parts of a market system include:
- A) The production, market, sellers and customers
 - B) Product flows, variety of firms, and pricing of products.
 - C) Marketing channels, middlemen, marketing functions
 - D) All the above
- 1.2 The study of the physical and economic flow of products from the producer through intermediaries to the consumer can be termed as?
- A) Marketing system
 - B) Marketing
 - C) Market Channel
 - D) None of the above
- 1.3 The Characteristics of agribusiness marketing systems include:
- A) Institutional arrangements, which are necessary in the performances of its functions.
 - B) Planning and management decision structure that controls and coordinates the workforce.
 - C) A & B
 - D) Managing Production and communication throughout the value chain.
 - E) A& C
- 1.4 The agricultural and food marketing system consists of the following sub-systems:
- A) Raw material, processing, marketing channel, and regulatory
 - B) Raw materials, Processing, promotion, distribution, and regulatory
 - C) Raw material, production, control, distribution and consumer
 - D) Input, production, distribution, consumption and regulatory.
- 1.5 The are among the six component of the marketing system
- A) Environmental subsystems, flow, functional and consumer
 - B) Input , Production, channel and consumer
 - C) Production, flow and final consumer
 - D) All the above
- 1.6 Which of the following is regarded as creation of utility?
- A) Storage utility
 - B) Transport utility
 - C) Exchange utility
 - D) All the above
 - E) None of the above
- 1.7 The following are special characteristics which the agricultural sector possesses except
- A) Bulk
 - B) Always produced in abundance
 - C) Perishable
 - D) require processing

- 1.8 Marketing function is defined as?
- A) Exchange of goods by selling for money paid by the buyer
 - B) Process of handling, movement and physical change of the actual commodity itself
 - C) Service or physical process required to give a product the utility consumer's desire
 - D) The number and kinds of business firms that perform the marketing task.
- 1.9 Marketing facilitation functions include
- A) Buying and selling
 - B) Storage, transport and processing
 - C) Storage, standardization, buying and selling
 - D) Standardization, financing, and risk bearing
- 1.10. The listed are some of the marketing communications key objectives
- A) Stimulation of demand
 - B) Differentiating the product or service
 - C) Controlling sales.
 - D) Regulating prices
- 1.11. Which form of marketing communication best described by this statement "Employs short-term incentives and its effects tend to be short-term?"
- A) Advertising
 - B) Sales promotion
 - C) Personal selling
 - D) Publicity
- 1.12. Which of the following is not a reason to erect trade barriers?
- A) Encourage local production.
 - B) Reduce reliance on foreign suppliers.
 - C) Promote import activity.
 - D) Protect local jobs
- 1.13. If a Swaziland firm sold \$10 billion of machinery in South Africa and the USA dollar declined against the South African currency:
- A) The Swaziland firm will report more revenue (in terms of Rand) than if the US dollar had remained stable.
 - B) The Swaziland company will make sure that the difference is paid back to its affiliate.
 - C) The Swaziland company will move funds to the home country
 - D) The Swaziland firm will report less revenue (in terms of Rand) than if the US dollar had remained stable

(TOTAL MARK 26)

QUESTION TWO

Below are multiple choice questions related to the theory of price analysis, please pick the most appropriate answer. Each question carries 2 marks.

- 2.1. Who determines the Equilibrium price?
- A) Consumers and demand forces
 - B) Producers and supply forces
 - C) Market forces
 - D) Natural forces

- 2.2. Suppose a firm is producing 100 units of output, incurring a total cost of E10 000 and total variable cost of E6000. It can be concluded that average fixed cost is
- A) E40.
B) E60.
C) E100.
D) E160.
E) E4000.
- 2.3. Assume that the market for bread begins in equilibrium. Then, there is a decrease in a price of Wheat flour used in the production of bread. When the new equilibrium is reached,
- A) the price and quantity of bread will both have risen
B) the price and quantity of bread will both have fallen
C) the price of bread will have risen and the quantity will have fallen
D) the price of bread will have fallen and the quantity will have risen
- 2.4. Mr Dlamini spends cost of supplies of E10, labour costs of E10 and his overhead cost are 10% of variable costs, using cost pricing what would be the retail price of the good?
- A) E22
B) E20
C) E88
D) E44
- 2.5. 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) Inefficient
B) More efficient
C) Efficient
D) Effective
- 2.6. As a farm manager what would be the best way of reducing market price fluctuation?
- A) Improve storage facilities
B) Crop insurance
C) consider the marketing channel
D) Avail information whenever needed
- 2.7. Which of the methods of reducing market price risk is described by this statement "the activities of buying and selling are not necessarily opposed to each other"?
- A) Hedging
B) Future markets
C) Speculation
D) All the above
- 2.8. If the price elasticity of demand equals 0.5, the demand for the product is:
- A). relatively inelastic
B). perfectly elastic
C). relatively elastic
D). unit elastic
- 2.9. if your income increase from 10,000 to 30,000, and your demand for the good reduces from 50kg to 20kg, what would be your income elasticity of demand for good X
- A). 0.5
B). 20,000
C). 30
D). 0.3
- 2.10. The price of commodity X in 2017 was E12, while the quantity of commodity Y in the same year was about 300kgs and the price of the same commodity X dropped to E10 as the quantity of commodity Y increased to 500Kg. What is the cross elasticity of demand for commodity Y?
- A) 0.67
B) 0.16
C) 4.1
D) 1

- 2.11. When price of the substitute good increases, then
- (A) the demand curve for the good will shift to the right
 - (B) the demand curve for the good will shift to the left
 - (C) there will be an upward movement along the demand curve
 - (D) there will be a downward movement along the demand curve.

- 2.12. The demand for an inferior good will shift to the right when
- (A) income of consumer rises
 - (B) price of the good falls.
 - (C) price of the good rises
 - (D) income of the consumer falls

QUESTION 3**(TOTAL MARKS 24)**

- a) Mr. Sibusiso is a human resource manager and his company wants to recruit a marketing manager, he has hired you as a consultant to advice on the recruitment process. Marketing managers are responsible for most of the activities necessary to create the customers the organization wants; what are these activities?
- (5 Marks)**
- b) There are different concepts in agricultural marketing management. With examples discuss these marketing management concepts

(20 Marks)**QUESTION 4**

- a) In a few sentences explain the four forms of agricultural marketing communications
- (12 Marks)**
- b) As a market specialist, identify the available international trade theories that explain the need for Swaziland to trade with other countries.
- (4 Marks)**
- c) Agricultural marketing plays an important role not only in stimulating production and consumption, but in accelerating the pace of economic development. Its dynamic functions are of primary importance in promoting economic development. For this reason, it has been described as the most important multiplier of agricultural development. Describe three indicators on how agricultural marketing impacts economic development.

(9 Marks)

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