



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

**FINAL EXAMINATION PAPER**

**PROGRAMME: BSc. in Agric. Economics and Agribusiness Management Year 4  
BSc. 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 402/401**

**TITLE OF PAPER: AGRICULTURAL MARKETING AND 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 and Overall total of 26 marks.**

- 1.1 Which one of the following is not part of the market system component parts?
- A) Middlemen  
B) Customers  
C) Product flow  
D) All the above
- 1.2 The following are important terms used in explaining marketing definition, except
- A) Pricing and marketing channels  
B) Products and services  
C) Market strategy and market research  
D) None the above
- 1.3 The path through intermediaries where various food products pass from producers to consumers is termed as.
- A) Marketing system  
B) Market Channel  
C) Marketing  
D) None of the above
- 1.4 The primary mechanism for coordinating production, distribution and consumption activities defines?
- A) Marketing management  
B) Market Channel  
C) Marketing  
D) None of the above
- 1.5 Which of the following is regarded as creation of utility?
- A) Storage utility  
B) Transport utility  
C) processing utility  
D) None of the options  
E) A & B
- 1.6 The following are special characteristics which the agricultural sector possesses except
- A) Abundant throughout  
B) They are Bulk  
C) Mostly Perishable  
D) require processing
- 1.7 Marketing function is defined as?
- A) Exchange of goods by selling for money paid by the buyer  
B) The process required to give a product the utility consumer's desire  
C) Process of handling, movement and physical change of the actual commodity itself  
D) The number and kinds of business firms that perform the marketing task.
- 1.8 Which of the methods of reducing market price risk is described by this statement "the activities of buying and selling are opposed to each other"?
- A) Hedging  
B) Speculation  
C) Future markets  
D) All the above
- 1.9. 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

- 1.10. Which form of marketing communication best described by this statement "Selling a product when minding customers' welfare?"
- A) Advertising  
B) Sales promotion  
C) Personal selling  
D) Public relations
- 1.11. If the value added to the marketing system is E10 and all the products are sold out, then the performance of the market is said to be?
- A) Efficient  
B) Effective  
C) Inefficient  
D) More efficient
- 1.12. The controllable variables a company puts together to satisfy a target group is called?
- A) Marketing mix  
B) Marketing strategy  
C) Strategic planning  
D) Marketing concept
- 1.13. Which of the following best describes the consumer's preference for products that are widely available to them?
- A) Marketing concept  
B) Selling concept  
C) Production concept  
D) Product concept

(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 and Overall 24 marks.**

- 2.1. The market forces determines the?
- A) Equilibrium price  
B) Producers and supply price  
C) Consumers and demand price  
D) Quantity and product price
- 2.2. Assume that the market for maize flour begins in equilibrium. Then, there is an increase in farm gate prices of maize. When the new equilibrium is reached,
- A) the price and quantity of maize flour will both have risen  
B) the price of maize flour will have fallen and the quantity will have risen  
C) the price of maize flour will have risen and the quantity will have fallen  
D) the price and quantity of maize flour will both have fallen
- 2.3 Mrs.Sibiya enjoys farming and earns E2, 500 that she was spending on purchase 6 bags of fertilizer only but when her income increased to E3,000 she can now purchase 90 bags of fertilizer. What is the income elasticity of demand for fertilizers of Mrs. Sibiya
- A) 3  
B) 0.06  
C) 16.7  
D) 1.7
- 2.4 Suppose a farm is producing 50 units of output, incurring a total cost of E4000 and total variable cost of E1000. It can be concluded that average fixed cost is
- A) E40  
B) E60  
C) E200.  
D) E3000.

- 2.5. Mr Dlamini spends cost of supplies of E10, labour costs of E5 and his overhead cost are 15% of variable costs, using cost pricing what would be the whole sale price of the good?
- A) E15.15  
B) E17.25  
C) E34.5  
D) E69.0
- 2.6. Given the retail price of 1 kg of beans as E15, farmers share on retail price is 25.0% what is the estimated marketing margin of this farmer?
- A) E25  
B) E9.5  
C) E 34.5  
D) E15.5
- 2.7. As a farm manager what would be the best way of reducing market price fluctuation?
- A) Improve storage facilities  
B) Crop insurance  
C) Avail information whenever needed  
D) consider the marketing channel
- 2.8. Which of the methods of reducing market price risk is described by this statement "the activities of buying and selling are opposed to each other"?
- A) Hedging  
B) Speculation  
C) Future markets  
D) All the above
- 2.9 According to the theory of comparative advantage, countries gain from trade because
- A) Trade makes firms behave more competitively, reducing their market power.  
B) World output can rise when each country specializes in what it does relatively best  
C) Output per worker in each firm increases.  
D) All firms can take advantage of cheap labor.
- 2.10. Which of the following is not a reason to erect trade barriers?
- A) Encourage local production.  
B) Reduce reliance on foreign suppliers.  
C) Protect local jobs  
D) Promote import activity
- 2.11 factor prices in an economy include the following except:
- A) Wages and salaries to labour  
B) Rent for Land  
C) Commission for Capital  
D) Profit for entrepreneurship
- 2.12 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  
B) -1.22  
C) 0.1  
D) 0

(TOTAL MARK 24)

**QUESTION 3**

- a) There are different concepts in agricultural marketing management. With examples outline the main points identified with the marketing management concepts

(15 Marks)

- b) Agricultural marketing plays an important role not only in stimulating production and consumption, but in accelerating the pace of economic development in Eswatini. 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. Identify five indicators on how agricultural marketing impacts economic development.

(10 Marks)

**QUESTION 4**

- a) Define the term "Price"? and identify the different price determination approaches

(10 Marks)

- b) Calculate the income elastic of demand of good X and cross income elasticity of demand XY using the information provided in the Table below.

Good X	Good Y	Price X	Price Y	income Elasticity of Demand for good X	Cross income elasticity of Demand $e^{xy}$
5	10	50	30		
7	12	48	26		
9	14	45	22		
10	16	43	18		
11	18	41	16		
12	20	39	12		

(10marks)

- c) Mr. Magagula faces the following demand and supply functions;

$Q_d = 36 - 4P$ .....i

$Q_s = -12 + 12P$ .....ii,

Estimate the Market Equilibrium Price, the Quantity demanded ( $Q_d$ ) at equilibrium and Quantity supplied at equilibrium ( $Q_s$ ). If the price increased by 10% what would be the new  $Q_d$  and  $Q_s$  at equilibrium?

(5 Marks)

\*\*\*\*\*WISH YOU SUCCESS\*\*\*\*\*