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UNIVERSITY OF ESWATINI
DEPARTMENT OF AGRICULTURAL ECONOMICS & MANAGEMENT

RE-SIT 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 & 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. 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) Service
    B) Idea
    C) Demand
    D) Product

1.2. Which of the following best defines marketing?
    A) The process of maximising sales of company
    B) The act of increasing the relationships between customer-supplier for profit maximisation
    C) Matching the resources of organisations with identified customer needs
    D) The process of improving the market share of organisations

1.3. A farmer decides to stop growing crop A and instead use the land to grow crop B. The amount of potential profit lost by not growing crop A represents the farmer's:

    A) Variable costs.
    B) Opportunity costs
    C) Marginal costs.
    D) Fixed costs.

1.4. Which of the following is not one of McCarthy's Four P's?
    A) Profit
    B) Place
    C) Price
    D) Product

1.5. In a market with a small number of high value buyers which promotional technique is most appropriate?
    A) Point of sale displays
    B) Advertising
    C) Public relations (PR)
    D) Personal selling

1.6. The buying process starts when the buyer recognizes a ………………………………
    A) Product
    B) problem or need
    C) an advertisement for the product
    D) a salesperson from a previous visit

1.7. Adding new features to a product is advocated by which of the approaches?………
    A) Production Approach
    B) Product Approach
    C) Marketing Approach
    D) Sales/Selling Approach

1.8 The pattern of behaviour of firms in relation to pricing and their practices is called….
    A) Market performance
    B) Market conduct
    C) Market integration
    D) Market function

1.9. The four utilities include?
    A) Exchange, processing, transporting, distribution, possession
    B) Form, processing, time and transport
    C) Time, form, place and exchange
    D) None of the above

1.10. The following are important in defining marketing
  A) Products and services, exchange, transactions, and relationships
  B) Needs, wants, demands, Value, satisfaction, quality and markets
  C) All the above
  D) None of the above

1.11 Sales promotion is a tactical marketing instrument used to address short term problems like:
  A) Dependence on the high demand of produce by customers
  B) Reducing the cash burden of overstocked products
  C) Mainly due to recurring low production by producers
  D) None of the above

1.12. 24. 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.

1.13. In country SD, it takes 10 labour hours to produce cloth and 20 labour hours to produce grain. In country SA, it takes 20 labour hours to produce cloth and 10 labour hours to produce grain. Which country should produce grain?
  A) Both A and B should produce grain.
  B) South Africa.
  C) No country should produce grain.
  D) Eswatini.

[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 When establishing the price of the product using cost-pricing method overhead costs are incorporated in the calculations. Overhead costs are also known as:
  A) Employees' salaries   C) Labour wages
  B) Fixed costs   D) Variable costs

2.2 Methods of price determination include except?
  A) Haggling   C) Auction
  B) Collusion   D) Customers

2.3 The .... is a pricing objective where the pricing decisions of managers have more to do with sales maximization than profit maximization.
  A) Volume Objective   C) Profitability Objectives
  B) Competition Objectives   D) Strategic Objective

2.4 Which of the following does not subscribe to the competition objectives of pricing by a farmer?

A) going-rate pricing   C) anti-competitive pricing
B) price stabilization   D) none of the above

2.5 Mr Dlamini spends cost of supplies of E5, labour costs of E5 and his overhead cost are 10% of variable costs, using cost pricing what would be the wholesale price of the good?

A) E11   C) E44
B) E20   D) E22

2.6 The pricing strategies Include:

A) prestige pricing   C) competitive pricing
B) Strategic pricing   D) none of the above

2.7. Suppose a firm is producing 50 units of output, incurring a total cost of E 5000 and average variable cost of E50. It can be concluded that fixed cost is

A) E50   C) E5000.
B) E40   D) E160.
E) E2500

2.8. 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) E11.25
B) E15.25   (D) E28.75

2.9. 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) E100.   (C) E40
(B) E6000.   (D) E160.

2.10. Given that the price of maize flour (Y) decreased from E15 to E10 and the quantity of demanded of rice (Z) increased from 20Kg to 60Kg. what will be the cross elasticity of demand for rice

A) 8   C) 0.17
B) 6   D) 0.13

2.11. 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) Speculation
B) Future markets   D) Insurance

2.12 Marketing price risks can be minimized through:

A) disseminating of price information over space and time
B) making sure that producers sell their products/services in large volumes
C) making sure that producers pay insurance for the agricultural products
D) None above

[TOTAL MARK 24]

QUESTION 3

a) Although Swaziland is regarded as a low-middle income country, its agricultural sector is faced with persistent challenges that hinder the smooth operation of agro-produce marketing system. Briefly describe at least four problems faced by Swaziland agricultural marketing, and suggest possible solutions to these challenges.

(8 Marks)

b) Differentiate between the following: Market effectiveness and Marketing efficiency.

(4 Marks)

c) There are basically 3 means by which the countries try to reduce on its imports of some goods. With the aid of diagrams explain how tariff and quotas work to control imports in Eswatini

(13 Marks)

QUESTION 4

a) Describe how the government of Eswatini can control agricultural prices, and what would be the negative effects of price controls in the country's economy.

(15 Marks)

b) What are the causes of agricultural price fluctuations in Eswatini?

(10 Marks)

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