

WOMEN'S UNIVERSITY IN AFRICA



Addressing gender disparity and fostering equity in University Education

FACULTY OF AGRICULTURAL SCIENCES

BSc AGRICULTURE HONOURS DEGREE IN AGRIBUSINESS MANAGEMENT
BSc AGRICULTURE HONOURS DEGREE IN ANIMAL SCIENCE
BSc AGRICULTURE HONOURS DEGREE IN HORTICULTURE

MAIN PAPER

AG 211 : FARM BUSINESS MANAGEMENT

INTAKE : FIRST YEAR SECOND SEMESTER

DATE : JANUARY 2021 TIME: 3HOURS

INSTRUCTIONS TO CANDIDATES

Answer any four questions

Question 1.

One of the responsibilities a farm business manager has is evaluating and monitoring financial performance. In order to successfully accomplish this task, the manager must decide how the evaluation will be conducted, collect data that accurately reflects the performance of the business, and develop a set of standards or benchmarks for measuring performance. Demonstrate what sort of information is acquired when engaging in such an exercise and give examples. [25]

Question 2.

Explore the reasons why a cash flow budget is a useful management tool. [25]

Question 3.

a. A farmer bought a harvester for \$190, 000. Calculate the annual and monthly straight-line depreciation expense for the equipment if it has a useful life time of 12 years and has a salvage value of \$7,500. [5]

b. A farm manager wants to enter the wholesale market for groundnuts. The total fixed cost is \$70, 000 and total variable cost(TVC) is \$70/ton. He expects to sell 15, 000 tonnes of the groundnuts and the current price of groundnuts is \$150/ton. Calculate the break-even price for the groundnuts. [20]

Question 4.

a. Discuss quantitative analysis and it's use as a decision making tool. [10]

b. List the steps involved in the decision making process. [15]

Question 5.

Contract farming is is an agreement between the farmer and a company or institution usually with the intent of purchasing all or part of the produce. Discuss the merits and demerits associated with contract farming. [25]

Question 6.

a. Explain the benefits of planning as a fundamental management function which organizations consider essential. [12]

b. Explore the elements involved of good management?

[13]

End of question paper