



Faculty of Life Sciences

Department of Crop Science

LCS 4204 Agricultural Business Management

2019 JUNE EXAMINATIONS

Duration: 3 Hours

Examiner: Olga Mapanje

INSTRUCTIONS TO CANDIDATES

1. Answer **ALL** questions from **Section A** and any 2 questions from **Section B**.
 2. Start the answer to each full question on a fresh page.
 3. Each question carries **20 marks**.
 4. This question paper comprises 3 printed pages including cover page.
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SECTION A: Answer all questions in this section

QUESTION A1

- a) Agribusiness is a **dynamic sector** and continuously meets current demands of consumers in domestic and world markets.
How did Davies and Gold Berg 1957 define agribusiness? [4]
- b) Outline the structure of agribusiness firms in Zimbabwe, explaining the functions of each sector. [6]
- c) What do you understand by the term ‘the agricultural value chain?’ [4]
- d) Define the following terms, giving examples in each case:
- i. Value chain operators [2]
 - ii. Value chain supporters [2]
 - iii. Value chain influencers [2]

QUESTION A2

- a) In developing countries, there is a shift from subsistence farming to commercial agriculture and commercial agriculture cannot exist without the support of the Agribusiness sector and other industries. Outline the **distinctive features** of the agribusiness system in a developing country like Zimbabwe. [10]
- b) There are three basic forms of business organization: **the Sole Proprietorship, the Partnership, and the Corporation**. State and explain the 5 main factors that agribusiness firms/ farms consider when organizing their businesses into any one of these forms. [10]

QUESTION A3

The **Functional Approach** to Management is a recently developed concept of management and it views management as series of functions.

- a) Give an outline of the **Functional Approach** to management, explaining in detail why execution of each function is important for the success of the agribusiness firm. [14]
- b) List the 6 main elements of the decision making process. [6]

SECTION B: Answer any 2 Questions in this section

QUESTION B1

- a) In considering the needs of their firms, agribusiness companies must think in terms of the ‘**marketing mix.**’

With the use of **relevant examples** from the agricultural sector, explain the **4Ps** in the **marketing mix** and how agribusiness firms in Zimbabwe make decisions concerning them. **[12]**

- b) Through financial analysis, the farm/ agribusiness manager determines the proper capital structure for the farm/ firm.
- i. In doing so, how helpful is the balance sheet and the income statement to these managers? **[2]**
 - ii. Give one difference between a balance sheet and an income statement. **[1]**
 - iii. Explain the 5 commonly used **financial measures** in agribusiness farms/ firms. **[5]**

QUESTION B2

Livelihoods of smallholder farmers in most developing countries are under threat due to changes in agri-food systems and **Contract Farming** is one of the main drivers that can help in linking smallholder farmers to value chains.

- a) Using an example in which there can be **Public-private-producer partnerships (4Ps)** in agricultural value chains, explain **what contract farming** is and **how** it works. **[10]**
- b) What are the benefits of **Contract Farming**:
- i. To agribusiness firms? **[5]**
 - ii. To farmers? **[5]**

QUESTION B3

Give a detailed outline of the important phases in the cycle of an agricultural project. **[20]**