

**GWANDA STATE UNIVERSITY**



**FACULTY OF LIFE SCIENCES**

**DEPARTMENT OF CROP SCIENCES**

**BACHELOR OF SCIENCE HONOURS DEGREE IN ANIMAL SCIENCE**

**Agricultural Business Management**

**LCS 4204**

**First Semester Final main Examination Paper**

**June 2020**

This examination paper consists of 3 pages

**Time Allowed:** 3 hours  
**Total Marks:** 100  
**Special Requirements:** None  
**Examiner's Name:** J.P. Musara

**INSTRUCTIONS**

1. Answer **all** questions in Section A
2. Answer **two** questions in Section B

**MARK ALLOCATION**

<b>QUESTION</b>	<b>MARKS</b>
<b>SECTION A</b>	<b>60</b>
<b>SECTION B</b>	<b>40</b>
<b>TOTAL ATTAINABLE MARKS</b>	<b>100</b>

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**SECTION A: Answer ALL questions in Section A**

1. Discuss the proposition that ‘*market research is the driving force for the entire agribusiness firm and gives it direction and purpose*’. [20]

2. a. As an agribusiness management consultant you have been hired to evaluate financial performance of two stock feed processing firms in Filabusi in 2019 and 2020. You generate the following information:

<b>Firm</b>	<b>Total Asset Turnover Ratio (2019)</b>	<b>Total Asset Turnover Ratio (2020)</b>
<b>A</b>	1.5	3
<b>B</b>	2	1

Based on the findings, advise management of the two firms on their financial performances status and how they may improve. [10]

b. Evaluate the status of human resources management systems in arid smallholder farming communities of Zimbabwe. [10]

3. In the context of agribusiness management, examine how policy, institutional and economic dynamics impact on small grain value chains in Zimbabwe. [20]

**SECTION B: Answer TWO questions in Section B**

4. a. Assume that you are provided with the following estimated cash flow data about a new dairy project in Gwanda:

<b>Year</b>	<b>Cash Flow (\$)</b>
0	-165 ,000
1	63 120
2	70 800
3	91 080

Given that the required return for assets of this risk is 12%, advise the directors on the worthwhileness of the project. [5]

b. Elaborate on the view that *'budgeting is an important part of financial planning and control in modern day agribusinesses'*. [15]

5. a. Justify the need for competitor analysis in management of Small and Medium agribusiness Enterprises (SMaEs). [10]

b. Using examples, explain how agricultural price analysis can inform agribusiness strategies that drive a firm to maturity. [10]

6. Using examples, explore strategies that may be used by small agribusiness managers in a volatile poultry value chain to manage price cycles. [20]

**END OF EXAMINATION**