



GWANDA STATE UNIVERSITY

FACULTY OF NATURAL RESOURCES MANAGEMENT AND AGRICULTURE

DEPARTMENT OF HORTICULTURE AND CROP PRODUCTION

BACHELOR OF SCIENCE (HONOURS) DEGREE IN AGRICULTURAL ECONOMICS

**ENTREPRENEURSHIP AND FARM MANAGEMENT/FARM MANAGEMENT
(NAE2104/LAE2103)**

FINAL EXAMINATION: SEPTEMBER 2024

This examination paper consists of 3 pages,

Time Allowed: Three (3) Hours

Total Marks: 100

Special Requirements: pen, pencil, ruler.

Examiner's Name: **Dr U Mugande**

Instructions

Answer **ALL** questions in Section A

Answer any **TWO (2)** questions in Section B

Mark allocation

Question	Marks
Section A	60
Section B	40
Total attainable marks	100

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SECTION A: Answer ALL questions.

Question 1

- (a) Define farm management. [4 marks]
- (b) Outline the four basic functions of farm management. [4 marks]
- (c) Define the following:
- (i) Fixed asset, giving an example [2 marks]
 - (ii) Variable costs, giving an example. [2 marks]
 - (iii) Accrual method of accounting. [2 marks]
 - (iv) Production period. [2 marks]
- (b) Outline the elements of a balance sheet. [4 marks]

Question 2

Mr Jofo of Gwanda State University has the following enterprises on his farm with the following characteristics:

- 10000 broiler unit recording a 10% mortality. The cost of producing a single bird is \$4 and each bird is sold at \$6.50
- 25 hectares of carrot and each hectare yields 15 tons. Selling price of carrots is \$0.50 per kg and the cost of production is \$0.25 per kg.
- Green mealies on 15 hectares and selling 40000 cobs per ha. Selling price is \$1 per 4 cobs and costs and it costs \$0.30 (30 cents) to produce 4 cobs.
- 12 hectares sugar beans yielding 2 tons per hectare and selling at \$1.20/kg. The cost of production is \$0.80/kg

- (a) Calculate the gross margin for each enterprise [12 marks]
- (b) Construct the whole farm budget [4 marks]
- (c) Outline the importance of gross margin analysis in decision making to the farm enterprise [4 marks]

Question 3

- (a) Explain the four phases of record keeping. [8 marks]
- (b) Discuss the structure of an income statement. [6 marks]
- (c) Explain the role of the following in farm management:
 - (i) Farm records. [2 marks]
 - (ii) Farm planning. [2 marks]
 - (iii) Output prices. [2 marks]

SECTION B: Answer TWO questions from Section B.

Question 4

- (a) Discuss the purpose of capital budgeting in farm management. [8 marks]
- (b) Suppose you have just begun your first post graduate job as a farm manager at Gwanda State University farm. Your first assignment is to increase revenue from the layer's enterprise by 10%. How would you use planning, controlling, and evaluating in your decision-making process?

Question 5

- (a) State any 8 methods of motivating farm workers. [8 marks]
- (b) Name and explain six types of livestock and crop production records required on a farm. [12 marks]

Question 6

- (a) Discuss the challenges faced by agricultural entrepreneurs in Zimbabwe. [8 marks]
- (b) Explain the following risks that can be faced by farming enterprises in Zimbabwe and the relevant controls that may be applied to safeguard against the risks.
 - (i) Production risks. [3 marks]
 - (ii) Human capital risks. [3 marks]
 - (iii) Marketing risks. [3 marks]
 - (iv) Environmental risks. [3 marks]

END OF QUESTION PAPER!!!