

GWANDA STATE UNIVERSITY



FACULTY OF NATURAL RESOURCES MANAGEMENT AND AGRICULTURE

DEPARTMENT OF HORTICULTURE AND CROP PRODUCTION

BACHELOR OF SCIENCE HONOURS DEGREE IN CROP SCIENCE

Agricultural Business Management

LCS 4204

First Semester Final Main Examination Paper

June 2025

This examination paper consists of 3 pages

Time Allowed: 3 hours
Total Marks: 100
Special Requirements: None
Examiner's Name: T Ndongwe

INSTRUCTIONS

1. Answer **all** questions in Section A
2. Answer **two** 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 in this section

Question 1

- a) Explain the term Agribusiness and state what is involved in Agribusiness [4]
- b) When embarking on an Agribusiness venture, what decisions need to be made before implementation? [6]
- c) Describe the four major basic business structures [4]
- d) What are the main factors considered in the analysis of the market situation of a business? [8]

Question 2

- a) Explain the six principles of decision making in Agribusiness management [12]

Question 3

Explain the following concepts:

- a. Financial management; [4]
- b. Competition; [4]
- c. Time value of money. [4]

Question 4

A farm manager must choose between two investment opportunities, but has the budget to fund only one.

Project A

Years	Cash Flows
0	(200 000)
1	80 000
2	80 000
3	80 000

Project B

Years	Cash Flows
0	(200 000)
1	10 000
2	20 000
3	225 000

- a) Given the discount rate of 8%, calculate the NPV for projects A and B. [6]
- b) Using the NPV of projects A and B, explain how the farm manager uses this information to evaluate projects A and B as long-term investments. [4]
- c) Calculate the Profitability Index of projects A and B and comment on the answer. [4]

SECTION B: Answer only TWO questions in this section

Question 5

Describe how the four agricultural policy instruments have impacted small processing agricultural businesses in post-independence Zimbabwe. [20]

Question 6

As the newly appointed General Manager of Seed Co, where the company's vision is to achieve outstanding success in sales, outline the most fundamental and suitable marketing plan to achieve this goal, including the key activities that should be implemented. [20]

Question 7

Effective budgeting is crucial for the success of agribusiness management. As a production manager, you are responsible for preparing enterprise and cash flow budgets for the various commodities grown on your farm. Now, develop an enterprise budget for the first maize crop on virgin land. [20]

Question 8

Using relevant examples, describe the key functions of agribusiness management [20]

END OF EXAMINATION PAPER