

GWANDA STATE UNIVERSITY



**FACULTY OF NATURAL RESOURCE MANAGEMENT
DEPARTMENT OF HORTICULTURE AND CROP PRODUCTION
BACHELOR OF SCIENCE HONOURS DEGREE IN CROP SCIENCE**

Agricultural Business Management

LCS 4204

Final Main Examination Paper

April 2024

This examination paper consists of 3 pages.

Time Allowed: 3 hours.
Total Marks: 100
Special Requirements: Calculator
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 SECTION A

1. Briefly elaborate on the following terms as they relate to agri-business management:

- a) Value chain financing; [4]
- b) Digital technologies; [4]
- c) Profitable growth; and [4]
- d) Climate change resilience. [4]

2. Citing relevant examples, explain the following concepts:

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

3. Explore the key functions of effective communication in agricultural business management. [8]

4. A farm manager is faced with two investments but only has funding for one investment.

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) Net Present Value for projects A and B. [6]
- b) Using the NPV of projects A and B, explain how farm managers use this information to evaluate a long-term investment. [4]
- c) Calculate the Profitability Index of projects A and B and comment on the answer. [4]

5. a. Complete the following agribusiness growth matrix:

		MARKETS	
		Present	New
PRODUCTS	Present	A	D
	New	B	C

[4]

b. Using examples, explain how appropriate strategies in cells A and C can drive the growth of an agricultural business entity. [6]

SECTION B: Answer TWO questions in SECTION B

6. Discuss the extent to which the evolution of agricultural business stakeholder networks has led to the progress towards attaining household food security in communal areas of Zimbabwe. [20]
7. Using examples, examine how any four agricultural policy instruments have impacted small processing agricultural businesses in post-independence Zimbabwe. [20]
8. Discuss how managers use the P.E.S.T.E.L analysis to assess business environments. [20]
9. Citing relevant examples, explain the agribusiness business management functions. [20]

END OF EXAMINATION PAPER