

BINDURA UNIVERSITY OF SCIENCE
EDUCATION
FACULTY OF AGRICULTURE AND ENVIRONMENTAL
SCIENCE

AGM 212

Department of Agricultural Economics, Education and Extension
BSc Animal Health and Production Extension (Honours) Part II
Examination Farm Business Management

3 HOURS (100 Marks).

INSTRUCTIONS

 **MAR 2023**

Answer any *FOUR* questions. Each question carries 25 marks

1. Identify and explain farm business unique characteristics that affect the way decisions are made. **[25 marks]**
2. Discuss the importance of planning in Farm Business Management **[25 marks]**
3. Explain in detail the following Farm Management activities **[6 marks]**
 - a) Technical **[6 marks]**
 - b) Financial **[6 marks]**
 - c) Accounting **[6 marks]**
 - d) Marketing and Planning **[7 marks]**
4. Identify and explain in detail any 5 management functional areas in Farm Business Management. **[25 marks]**
5. Soyabean producer decides to store soybeans in the local elevator for five months. The price at harvest is \$6.00 per tonne and the elevator charges \$0.02 per tonne per month for storage plus a onetime \$0.05 per tonne handling charge. The producer has 4,000 tonnes to store and must borrow \$24,000 at 8% annual interest in order to store the soybeans.
 - a) Define the term break even **[2 marks]**
 - b) Discuss factors that may influence the breakeven price of soybeans. **[20 marks]**
 - c) What price must be received for the soybeans to break even and cover storage and opportunity costs? **[3marks]**
6. Explain the following phrases **[5 marks]**
 - a) Balance sheet. **[8 marks]**
 - b) Decision making is always related to the situation or the environment. **[12 marks]**
 - c) Partial budget