

BINDURA UNIVERSITY OF SCIENCE EDUCATION
FACULTY OF AGRICULTURE AND ENVIRONMENTAL SCIENCE

AGM 401

Department of Agricultural Economics, Education and Extension
BSc Agricultural Science (Honours) Part 4 Examination
Agricultural Finance

3 HOURS (100 Marks)

JUN 2024

INSTRUCTIONS

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

1. Compare and contrast the following 3 tests of credit analysis: the 3Rs, 5Cs and the 7Ps of credit. **[25 marks]**
2. Credit can be broadly classified according to various criteria: based on time, purpose, security, lender's classification, borrower's classification, liquidity, approach and contact. Explain this statement in detail. **[25 marks]**
3. Discuss the role of Value Chain Financing in the financial inclusion of smallholder farmers in African countries. **[25 marks]**
4. Outline the general factors which form the basis or decision criteria for selecting viable agricultural investment projects. **[25 marks]**
5. Discuss the following types of repayment plans for medium and long-term loans: **[5 marks each]**
 - a. Straight-end Repayment Plan
 - b. Partial repayment plan or Balloon repayment plan
 - c. Amortized repayment plan:
 - d. Variable repayment plan or Quasi-variable repayment plan
 - e. Reserve repayment plan or Future repayment plan
6. Agricultural loans in Zimbabwe have a poor repayment rate. Discuss. **[25 marks]**

End of Paper