



*“Investing in Africa’s future”*

**COLLEGE OF HEALTH, AGRICULTURE AND NATURAL SCIENCES**

**NAEC201: INTRODUCTION TO AGRIBUSINESS MANAGEMENT**

**END OF SECOND SEMESTER FINAL EXAMINATIONS**

**APRIL 2022**

**LECTURER: DR. K. MUKUMBI**

**DURATION: 3 HOURS**

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**INSTRUCTION**

Answer all Questions

## SECTION A

*For the multiple choice questions, each question is worth 2 marks. Select and write a symbol (A, B, C, or D) as your response.*

1. A(n) \_\_\_\_\_ manager views legal standards as barriers to overcome, pursues own self-interests and focuses only on the bottom line.  
A. Moral  
B. Immoral  
C. Amoral  
D. 21<sup>st</sup> century
  
2. \_\_\_\_\_ is the tendency for managers to focus excessively on short-term performance objectives at the expense of longer-term strategic objectives.  
A. Self-dealing  
B. Short-termism  
C. Faulty oversight  
D. Legalism
  
3. \_\_\_\_\_ management is the ability to prioritize goals, decide what must be done, and be accountable to complete the necessary actions.  
A. Marketing  
B. Human resources  
C. IT  
D. Self
  
4. Part of a tobacco farm manager's compensation is 10% of the profits obtained from tobacco he produces. This is an example of \_\_\_\_\_ compensation.  
A. Hardship based  
B. Total  
C. Productivity based  
D. Normal
  
5. An example of a human resource risk is \_\_\_\_\_.  
A. Perishability of agricultural products  
B. Global warming  
C. Inflation  
D. Injuries
  
6. An agribusiness should

- A. Have a high employee turnover rate
  - B. Hire top managers without sharing ownership in the company with them
  - C. Compensate workers fairly and transparently
  - D. Place unqualified friends or family members in management positions
7. The 7 R's of logistics are: right \_\_\_\_\_, right \_\_\_\_\_, right customer, right price, right place, right condition, right time
- A. promotion, date
  - B. goal, physical evidence
  - C. product, quantity
  - D. process, product
8. A rose farmer in Zimbabwe would like to transport their roses from Zimbabwe to Germany. Which mode of transport would you recommend?
- A. truck to the airport and then by aeroplane
  - B. train all the way from Zimbabwe to Germany
  - C. truck from the farm in Zimbabwe all the way to Germany.
  - D. by pipeline
9. Peter is a carrot producer and has noticed differences in the sizes and shapes of carrots produced at his farm. One of his customers is a restaurant and they have told Peter that they require only large carrots that are not deformed. What should Peter do?
- A. Mix large, small, deformed carrots in such a way that the restaurant manager will only see the small and deformed carrots after delivery and payment, after all Peter needs to maximise his profits and make as much money as possible.
  - B. Grade the carrots by size and shape, then sell the large carrots to the restaurant and the other sizes to other customers at different prices.
  - C. Throw away or giveaway all the small and deformed carrots and only sell the large carrots
  - D. Inform the hotel manager that carrots are part of biological production and so Peter does not have control over size and shape of carrots produced and the restaurant just has to accept the different sizes
10. The following is a supply chain management activity or decision:
- A. Devising a quality program
  - B. Production planning and scheduling
  - C. Designing the layout of operation

- D. Purchasing of material for production
11. An example of a new or expanded supply chain management objective is:
- A. Reducing transport costs
  - B. Better customer service
  - C. Physical distribution of finished products
  - D. Optimizing inventory levels
12. In 2021 Dairibord sold goods worth \$100 million. The cost of sales was \$70 million. Selling and Marketing expenses were \$1 million. Administrative expenses were \$10 million. Distribution expenses were \$6 million. What is the net profit?
- A. \$ 12 million
  - B. \$ 153 million
  - C. \$ 13 million
  - D. \$ 25 million
13. In 2021 Dairibord sold goods worth \$100 million. The cost of sales was \$70 million. Selling and Marketing expenses were \$1 million. Administrative expenses were \$10 million. Distribution expenses were \$6 million. What is the gross profit?
- A. \$ 30 million
  - B. \$ 13 million
  - C. \$ 130 million
  - D. \$ 1 million
14. A business has the following characteristics: high risk with an uncertain return, weak cash flow, low-to-moderate growth, unproven management. Which type of financing is the most appropriate to use in this case?
- A. Debt financing
  - B. Equity funding
  - C. Personal funds
  - D. None of the above
15. Livestock auctions in Zimbabwe use a system of \_\_\_\_\_ bids.
- A. Ascending
  - B. Descending
  - C. Stagnant
  - D. Sealed

16. The marketing communication mix includes:
- A. Process, place, price, product
  - B. Product, price, promotion, place
  - C. Advertising, sales promotion, personal selling, public relations
  - D. Public relations, advertising, sales promotion, people
17. Seedco works with a group of seed maize farmers providing them with inputs on credit and extension services. After harvesting Seedco purchases the maize seed from the farmers and deducts the cost of the inputs. Which strategy is Seedco using in this case?
- A. Backward integration
  - B. Forward integration
  - C. Horizontal integration
  - D. Diversification
18. A \_\_\_\_\_ marketing management approach focuses on aggressive techniques for overcoming customer resistance.
- A. product
  - B. sales
  - C. production
  - D. relationship
19. Risk bearing is a \_\_\_\_\_ function.
- A. Facilitation
  - B. High level
  - C. Normal
  - D. Physical
20. An agribusiness should outsource an activity when:
- A. An activity can be done more cheaply by internal specialists
  - B. An activity can be performed better by internal specialists
  - C. An activity is crucial to achieve a sustainable competitive advantage
  - D. Outsourcing increases the firm's ability to assemble diverse kinds of expertise speedily and efficiently

21. List five advantages of a partnership and five disadvantages of a partnership. Your response should be presented in table format.

marks)

(10

## **SECTION B**

### **Question 1**

- a) Prepare a 3-page article targeted to a group of farmers giving them tips on how to be successful in managing an Agribusiness enterprise in your home country. (30 marks)

*b) Read the passage below and answer the questions that follow.*

The popularity and profitability of avocados and macadamias have resulted in a double-edged sword, with theft of the produce becoming increasingly rampant.

During the past season, the macadamia and avocado industries suffered losses of over R160 million and R24 million respectively. Lizel Pretorius, CEO of Macadamias South Africa, said investigations into theft were ongoing. “It would appear that syndicates are working together, and crime that starts at the farm gate travels all the way up the value chain, aiding a broader crime industry. There is also a further ripple effect as the loss of income impacts job opportunities and government’s tax income.”

She noted that since macadamia nuts had a lengthy shelf life, it was easier to store and move the stolen goods at various times. “The circumstances under which much of the [stolen] nuts are processed to kernel are unhygienic, so it becomes a health hazard.”

Edrean Ernst, an avocado farmer and area director of the South African Avocado Growers’ Association in the Letaba region, said that security operations had been ramped up over the past few seasons as the theft of avocados had become an increasing problem.

“We find that the thieves move from region to region to target farms with less security. “The theft mostly takes place at the beginning and end of the season as we suspect that the activity in the orchards in high season is a deterrent. The large area of bearing orchards in the beginning of the season also makes it difficult to police the whole area.” “These avocados are generally immature when they are stolen, and efforts to police immature fruit on the market also helps to keep stolen fruit from being sold.”

He noted that the operations of the thieves were becoming more organised, with stolen fruit being washed, packaged and sold at fresh produce markets. Ernst said it was difficult to police the value chain, and that the best place to prevent the theft was on the farm. “Each producer needs to do what they can to prevent the theft from taking place in the first place.”

- i.** As a manager of a macadamia farm what can you do to prevent theft on your farm? Justify your responses. (20 marks)

**End of Examination Paper**