



**NAMIBIA UNIVERSITY**  
OF SCIENCE AND TECHNOLOGY

**FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION**

**DEPARTMENT OF TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET)**

<b>QUALIFICATION : MUST BRIDGING PROGRAMME - TVET AGRICULTURE STREAM</b>	
<b>QUALIFICATION CODE: 04NBTA</b>	<b>LEVEL: 4</b>
<b>COURSE CODE: FOB412S</b>	<b>COURSE NAME: FUNDAMENTALS OF AGRIBUSINESS MANAGEMENT</b>
<b>SESSION: NOVEMBER 2024</b>	<b>PAPER: 1</b>
<b>DURATION: 3 HOURS</b>	<b>MARKS: 100</b>

<b>FIRST OPPORTUNITY EXAMINATION QUESTION PAPER</b>	
<b>EXAMINER(S)</b>	<b>Ms. E MATALI</b>
<b>MODERATOR:</b>	<b>Mr. A MERORO</b>

<b>INSTRUCTIONS</b>	
<ol style="list-style-type: none"><li>1. The paper has <b>3 SECTIONS</b> (A, B and C).</li><li>2. Write clearly and neatly using a black or blue ink pen.</li><li>3. Show all your work clearly and neatly.</li><li>4. Each section must start on a new page.</li><li>5. All written work <b>MUST</b> be done in blue or black ink.</li></ol>	
<b>PERMISSIBLE MATERIALS: 1. Non-Programmable Calculator without the cover</b>	

**THIS QUESTION PAPER CONSISTS OF 4 PAGES (Including this front page)**

## SECTION A

### QUESTION 1

[10 marks]

Write down the letter corresponding to your choice next to the question number.

1.1. **What is agribusiness?**

- a) The process of growing crops.
- b) The management of agricultural products and services as a business.
- c) The marketing of agricultural machinery.
- d) Farming for subsistence.

(2 Marks)

1.2. **Which of the following is NOT a function of management in agribusiness?**

- a) Planning
- b) Organizing
- c) Forecasting
- d) Production

(2 Marks)

1.3. **An agribusiness that controls all stages of production from growing crops to selling to consumers is practicing:**

- a) Horizontal integration
- b) Vertical integration
- c) Cooperative management
- d) Diversification

(2 Marks)

1.4. **Which financial statement shows the assets, liabilities, and equity of an agribusiness at a specific point in time?**

- a) Income Statement
- b) Cash Flow Statement
- c) Balance Sheet
- d) Profit and Loss Statement

(2 Marks)

1.5. Which of the following best defines working capital in agribusiness?

- a) Total assets of the business
- b) The capital used for day-to-day operations
- c) Long-term investments in machinery
- d) Land value

(2 Marks)

## SECTION B

### QUESTION 2

[30 marks]

- 2.1. Define agribusiness and explain its importance in the global economy. (5 Marks)
- 2.2. List and briefly explain four factors that influence agribusiness decisions. (8 Marks)
- 2.3. Mention three challenges that agribusinesses face in developing countries. (6 Marks)
- 2.4. Explain the difference between fixed costs and variable costs in agribusiness. Provide examples of each. (6 Marks)
- 2.5. Why is financial planning important for agribusiness management? (5 Marks)

## SECTION C

### QUESTION 3

[60 marks]

3.1. You are provided with the following information for Green Valley Farms as of 31st December 2023. Study the table and answer the questions that follow.

<u>Information</u>	
• Assets:	• Owner's Equity:
• Cash in hand: N\$10,000	• Owner's capital (as of 1st January 2023): N\$60,000
• Accounts receivable: N\$ 5,000	• Revenue (for the year):
• Inventory (crops and livestock): N\$ 12,000	• Crop sales: N\$45,000
• Farm machinery (at cost): N\$ 25,000	• Livestock sales: N\$25,000
• Land: N\$ 50,000	• Expenses (for the year):
• Accumulated depreciation on machinery: N\$ 5,000	• Wages: N\$20,000
• Liabilities:	• Feed and seed: N\$8,000
• Accounts payable: N\$7,000	• Depreciation: N\$5,000
• Bank loan (long-term): N\$20,000	• Interest on loan: N\$2,000

3.1.1. Prepare the Balance Sheet for Green Valley Farms as of 31st December 2023. (20 Marks)

3.1.2. Prepare the Income Statement for the year ending 31st December 2023. (20 Marks)

3.2. Green Valley Farms has the following financial information for the year 2023: Study the information and answer the questions that follow.

• Total Revenue:	N\$120,000
• Cost of Goods Sold (COGS):	N\$60,000
• Total Assets:	N\$200,000
• Total Liabilities:	N\$80,000
• Net Profit:	N\$30,000
• Owner's Equity:	N\$120,000
• Current Assets:	N\$50,000
• Current Liabilities:	N\$30,000

**Required:**

3.2.1. Calculate the Gross Profit Margin. (5 marks)

3.2.2. Calculate the Net Profit Margin. (5 marks)

3.2.3. Calculate the Return on Assets (ROA). (5 marks)

3.2.4. Calculate the Current Ratio. (5 marks)

**TOTAL MARKS [100]**

**END OF PAPER**