



**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: JANUARY 2025</b>	<b>PAPER: 2</b>
<b>DURATION: 3 HOURS</b>	<b>MARKS: 100</b>

<b>SECOND 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>
1. The paper has <b>3 SECTIONS</b> (A, B and C). 2. Write clearly and neatly using a black or blue ink pen. 3. Show all your work clearly and neatly. 4. Each section must start on a new page. 5. All written work <b>MUST</b> be done in blue or black ink.
<b>PERMISSIBLE MATERIALS:</b> 1. Non-Programmable Calculator without the cover

**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. Which of the following is an example of a fixed cost in agribusiness?**

- a) Feed for livestock
- b) Machinery maintenance
- c) Fertilizer
- d) Land rent

(2 Marks)

**1.2. What is the primary purpose of a balance sheet?**

- a) To show the profitability of the business over a specific period
- b) To display the cash inflows and outflows
- c) To show the financial position of the business at a specific point in time
- d) To calculate the working capital

(2 Marks)

**1.3. Which of the following is considered a current asset in an agribusiness?**

- a) Machinery
- b) Livestock
- c) Inventory of seeds
- d) Land

(2 Marks)

**1.4. Which of the following is a liquidity ratio that helps assess an agribusiness's ability to meet short-term obligations?**

- a) Debt-to-equity ratio
- b) Net profit margin
- c) Quick ratio
- d) Return on assets

(2 Marks)

**1.5. Working capital is defined as:**

- a) Current liabilities minus current assets
- b) Total assets minus total liabilities
- c) Current assets minus current liabilities
- d) Net income divided by total sales

(2 Marks)

## **SECTION B**

### **QUESTION 2**

**[30 marks]**

2.1. Define “working capital” and explain its importance to an agribusiness operation.

(5 Marks)

2.2. Identify and explain three factors that can influence the profitability of an agribusiness.

(9 Marks)

2.3. Explain the importance of a budget in managing the finances of an agribusiness.

(6 marks)

2.4. Explain the difference between liquidity and profitability in agribusiness financial management.

(5 Marks)

2.5. Briefly describe how financial statements help agribusiness managers make informed decisions.

(5 Marks)

## SECTION C

### QUESTION 3

[60 marks]

3.1. Below is the financial information for XYZ Farms for the year ending December 31, 2023.

Study the table and answer the questions that follow.

• Revenue from sales: N\$ 450, 000	• Land and buildings (fixed assets): N\$ 500,000
• Cost of goods sold (COGS): N\$ 280, 000	• Cash received from bank loan: N\$ 50,000
• Operating expenses: N\$ 50, 000	• Inventory: N\$ 25,000
• Interest expense: N\$ 15, 000	• Accounts payable (current liabilities): N\$ 40,000
• Taxes paid: N\$ 10, 000	• Accounts receivable (current assets): N\$ 60,000
• Beginning cash balance: N\$ 20, 000	• Cash at hand (end of period): N\$ 75,000
• Capital expenditure on new machinery: N\$ 30, 000	• Livestock: N\$ 150,000
• Debts (liabilities): N\$ 100, 000	• Land and buildings (fixed assets): N\$ 500,000

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

(20 Marks)

3.1.2. Prepare a Balance Sheet for XYZ Farms as of December 31, 2023.

(20 Marks)

3.2. Discuss the importance of financial management in the success of an agribusiness. In your essay, highlight how budgeting, financial forecasting, and cash flow management contribute to the sustainability and growth of agribusiness operations.

(20 Marks)

**TOTAL MARKS:100**

**END OF PAPER**