

VF DAGRI PAST PAPERS

**DIVISION of AGRICULTURE, SIR ARTHUR LEWIS COMMUNITY  
COLLEGE  
Certificate**

**Date:** 10/05/05

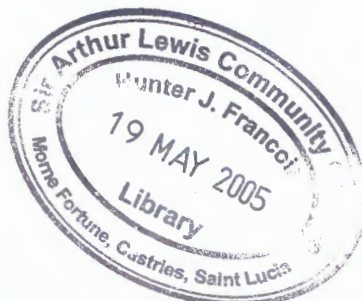
**Time:** 2 1/2 Hours

**Subject:** Farm Business and Management (FBM 108)



**Answer any five (5) Questions**

1. a) What are the three(3) physical functions carried out in the marketing of agricultural goods #M22
- b) What gaps are filled between the producer and consumer when these functions are carried out
- c) Explain in detail why it is more difficult and costly to carry out these functions for agricultural produce than for other types of goods
2. a) What is management?
- b) List three objectives that a commercial farmer may have?
- c) Describe three major areas of a farm business for which the manager has to plan and control
- d) Describe four possible sources from which you may obtain the land and capital to start a farm.
3. a) What is a budget?
- b) Describe the three different types of budgets that are used in planning for a business
- c) Prepare a cash flow budget for the first six months of the year for a layer farm that produces 800 dozen eggs monthly. 75% of the eggs produced on the farm are sold for cash at \$4.50 per dozen. The remainder are sold on credit at \$5.00 per dozen. Payment for credit sales are made two months later. The farm has no receivables for the first two months of the year and begins the year with \$11,000 in the bank. The farmer plans to take a loan of \$50,00 to assist in the purchase of a van in May. The van costs \$61,000 and insurance of \$2500 has to be paid upon purchase. Repayment of the loan starts in June at \$1000 per month. The farm also buys \$750 worth of feed each month and pays its lone worker \$800 monthly.
4. a) What is the marketing approach?



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- b) Why is the marketing approach more effective than the product and other approaches in selling goods and services
- c) Name the different types of consumer goods. What type of consumer goods are most agricultural goods? Discuss in detail how this affects the marketing and promotion of agricultural goods.
5. a) What is meant by the demand for a good?
- b) What factors affect the demand for a good or service?
- c) Explain in detail how conducting market research helps a farmer in finding out about the demand for his produce and in making a marketing plan.
6. a) List and describe the steps involved in preparing a business plan.
- b) Why is a business plan necessary for farmers and other types of business owners
- c) Why is it necessary for farms to keep detailed records?
7. Write short notes to describe the following.
- Sole proprietor
  - Partnership
  - Cooperative
  - Double entry and single entry accounting
  - Four p's of marketing

