

VF Agri Past Papers

**SIR ARTHUR LEWIS COMMUNITY COLLEGE
DIVISION OF AGRICULTURE**

**ASSOCIATE DEGREE IN GENERAL AGRICULTURE
2007/2008 ACADEMIC YEAR
END OF SEMESTER II EXAMINATION**



COURSE: FARM MANAGEMENT (FRM111)
TIME: 2 HRS 30mins

DATE: APRIL 2008

INSTRUCTION: DO ANY FIVE QUESTIONS

#M41

- 1. (a) What is enterprise budgeting? 2 mks
- (b) State three purposes of an enterprise budget 6 mks

The following is information about watermelon production. Use it to answer the questions which follow.

Items	Local maize/acre
Yield in kg/ha	4350 kg
Price/kg	0.75
<u>Variable costs</u> (\$)	
Seeds	40.00
Manure	30.00
Fertilizer	95.00
Chemicals	40.00
Transport	100.00
Labour, Harvesting,	470.00
<u>Fixed costs</u>	350.00
Machinery, depreciation	100.00
Land charge	

- (i) Calculate and give an interpretation of the gross margin of this enterprise. 3 mks
 - (ii) Determine: (a) cost of production (b) break even price (c) break even yield. 3 mks
 - (iii) Comment on each result from (ii) above 3 mks
 - (iv) If the land is owned, should a land charge be included in the budget? Why? 3 mks
- 2 .The following is a production function for an enterprise. For all questions, the price of input is \$11.00 and the price of the output is \$4.00. Fixed costs are \$30.00.

Units of input	of	1	2	3	4	5	6	7	8	9	10
Units of output	of	10	25	45	60	70	77	82	85	86	84

- (a) What is the value of the following at 8 units of the variable input?
 - (i) TP (ii) AVC (iii) TVC (iv) TC 8mks
 - (b) How many units of the variable factor should the profit-maximizing firm use? 5 mks
 - (c) What is the marginal cost of the fifth unit of the variable input? 2 mks
 - (d) If the firm used 10 units of input, what would profit be? 2 mks
 - (e) If the variable were free, what level of output would the firm produce and why? 3 mks
3. The planning process in any business endeavour is intended to put the firm in the best possible position relative to the competition.
- (a) List and explain three planning activities 6 mks



- (b) **Show** how you utilize the activities identified in (a) above to establish a one-acre-plot of Zucchini. **6 mks**
- (c) **Prepare** a marketing strategy to deal with the anticipated competition. **8 mks**
4. Farmers make decisions in a risky and ever changing environment. The consequences of their decisions are generally not known when decisions are made, and outcomes may be better or worse than expected.
- (a) **Distinguish** between risk and uncertainty. **4 mks**
- (b) **Identify and explain three** sources of risk in agriculture. **8 mks**
- (c) What is risk management? **2 mks**
- (d) **Identify three** response strategies that can be followed to reduce the risks associated with tomato production and marketing. **6 mks**
5. Personnel management is the part of management concerned with people and their relations within a business. A personnel manager must try to fit the right person in the right job and plan ahead the manpower needs of the business.
- (a) Name four types of farm workers. **4 mks**
- (b) **State three** labour problems that St. Lucian farmers' encounter. **3 mks**
- (c) Define labour productivity and state three ways in which labour productivity of College Farm can be enhanced. **8 mks**
- (d) **Define** the term labour turnover and list two of its causes. **3 mks**
6. Good management usually means the difference between earning a profit or suffering a in a commercial farm.
- (a) **Distinguish** between tactical and strategic management. **4 mks**
- (b) **Give two** examples each, of decisions that can be classified as (i) tactical(ii) strategic management. **4 mks**
- (c) **Identify three** characteristics of agriculture that make managing a farm from managing a firm in the manufacturing sector **6 mks**
- (d) **List four** long-term goals for a farm **4 mks**
- (e) **Explain** the "control function of management" **2 mks**



