MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF AGRICULTURAL SCIENCES

DEPARTMENT OF AGRIBUSINESS MANAGEMENT AND TRADE

SECOND YEAR SPECIAL/SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF SCIENCE IN AGRIBUSINESS MANAGEMENT AND TRADE

AGB 310: FARM BUSINESS MANAGEMENT

DATE: 24/7/2019   **TIME: 2.00-4.00 PM**

INSTRUCTIONS;

*Answer **ALL** questions in **SECTION A** and any other **TWO** questions in **SECTION***

QUESTION ONE (30 MARKS)

a)   Define the following terms

    i)   Capital   (2 marks)

    ii)   Farm layout   (2 marks)

    iii)   Marginal rate of substitution   (2 marks)

b)   What are the goals of farm management   (5 marks)

c)   Explain importance of complete budgeting to a farmer   (4 marks)

d)   There are key performance measures driven by three critical issues facing every farmer. Discuss these issues.   (6 marks)

e)   Discuss uses of a farm data   (3 marks)

f)   What are the objectives of farm accounts   (6 marks)

QUESTION TWO (20 MARKS)

a)   What are causes of price instability in agriculture   (2 marks)

b)   Explain uses of cash flow budgeting   (6 marks)

c) Discuss the factors to consider in selection of farm enterprises which vary in relative importance according to the system of farming and specific facilities and resources on a given farm. (12 marks)

QUESTION THREE (20 MARKS)

a) Explain the various types of farm enterprises in relation to relative contribution to the farm income and resource allocation. (10 marks)

b) Discuss steps involved in farm planning process (10 marks)

QUESTION FOUR (20 MARKS)

a) Explain the information needed for program planning (8 marks)

b) Discuss and give at least an example in each case the characteristics upon which decisions are classified in farm management (12 marks)

QUESTION FIVE (20 MARKS)

a) Explain assumptions of linear programming (8 marks)

b) Discuss importance of farm management (12 marks)