

## AGRI-ENTERPRISE FARM BUDGETING

**ISCED UNIT CODE:** 0811 551 13A

**TVETCDACC UNIT CODE:** AQ/CU/PN/CR/02/6/MA

### Relationship to Occupational Standards

This unit addresses the Unit of Competency: Perform Agri-marketing farm budgeting.

**Duration of the unit: 110 HOURS**

### UNIT DESCRIPTION

This unit specifies the competencies required to perform Agri-marketing farm budgeting. It involves carrying out Agri-enterprise cost estimation, carrying out revenue forecasting and managing cash-flow.

### Summary of learning outcomes

By the end of this unit of learning, the trainee should be able to:

S/No	Learning Outcomes	Duration (Hours)
1.	Carryout agri-enterprise cost estimation	50
2.	Carry out revenue forecasting	30
3.	Manage cash-flow	30
<b>Total</b>		<b>110</b>

### Learning Outcomes, Content and Methods of assessment

Learning Outcome	Content	Methods of assessment
1. Carry out Agri-enterprise cost estimation	1.1 Agri-enterprise costs 1.1.1 Average costs 1.1.2 Direct costs 1.1.3 Capital costs 1.1.4 Operating costs 1.1.5 Indirect costs 1.1.6 Semi-variable costs	<ul style="list-style-type: none"><li>• Practical</li><li>• Project</li><li>• Third party report</li><li>• Portfolio of evidence</li></ul>

	1.1.7 Sunk costs 1.1.8 Marginal costs 1.1.9 Fixed costs 1.1.10 Variable costs 1.1.11 Product costs 1.1.12 Total costs 1.2 Agri-enterprise production quantities 1.3 Agri-enterprise unit costs 1.4 Agri-enterprise total costs 1.5 Agri –enterprise costs review and adjustment	<ul style="list-style-type: none"> <li>• Written tests</li> <li>• Oral questioning</li> </ul>
2. Carry out revenue forecasting	2.1 Agri-enterprise budgets 2.1.1 Enterprise budgets 2.1.2 Partial budgets 2.1.3 Cash flow budgets 2.1.4 Gross margin budgets 2.1.5 Break even budgets 2.1.6 Linear programming 2.2 Agri-enterprise income levels 2.2.1 Sales revenue 2.2.2 Service revenue 2.2.3 Interest income 2.2.4 Dividend income 2.2.5 Rental income 2.2.6 Royalty income 2.2.7 Capital gains 2.2.8 Commission income 2.2.9 Franchise income 2.2.10 Subscription income 2.2.11 Grants and subsidies 2.3 Agri-enterprise reviews and adjustments	<ul style="list-style-type: none"> <li>• Practical</li> <li>• Project</li> <li>• Third party report</li> <li>• Portfolio of evidence</li> <li>• Written tests</li> <li>• Oral questioning</li> </ul>
3. Manage cash-flow	3.1 Agri-enterprise financial statements 3.1.1 Working capital estimates 3.1.2 Balance sheets 3.1.3 Trading, Profit and loss accounts 3.1.4 Break even analysis 3.1.5 Cash flow projections 3.1.6 Desired financing 3.2 Agri-enterprise profitability ratios	<ul style="list-style-type: none"> <li>• Practical</li> <li>• Project</li> <li>• Third party report</li> <li>• Portfolio of evidence</li> <li>• Written tests</li> </ul>

	3.2.1 Liquidity ratios 3.2.2 Returns on investment 3.2.3 Gross profit margins 3.2.4 Net profit margins 3.2.5 Operating profit margins 3.2.6 Return on assets 3.2.7 Return on equity 3.3 Reviews and adjustments	<ul style="list-style-type: none"> <li>Oral questioning</li> </ul>
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### Suggested Methods of delivery

- Project
- Demonstration
- Practicals
- Discussions
- Direct instruction

### Recommended Resources

S/No	Item/Category	Description/Specification	Quantity	Recommended Ratio (Item: Trainee)
A	<b>Learning Materials</b>			
	Text books &E-learning materials	Farm account book	5	1:5
	Ledger book samples		5	
	Receipt book samples		5	1:5
	Bank statements samples		5	1:5
	Balance sheet samples	FBM Books	5	1:5
	Profit and loss account samples	FBM Book	5	1:5

B	<b>Learning Facilities &amp; infrastructure</b>			
	classroom		1	1:25
C	<b>Consumable materials</b>			
	notebooks	A4 SIZE	25	1:1
	Flip chart		1	1:25
D	<b>Tools and Equipment</b>			
	Projectors	EPSON 2788 LUMEN	1	1:25
	Computers	Any brand-5 <sup>th</sup> generation and above COi5	5	1:5

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