

Uganda Martyrs University

Faculty of Agriculture

Final Examination 2017-2018
Bachelors of Science in Agriculture Year Four

Module: AG 15: Farm Management and Administration

Time: 09:30 am – 12:30 pm Date: Tuesday 10th July 2018

Instructions:

- Question One is Compulsory
 - Answer any four questions in Section B
 - All questions carry equal 25 marks.
 - Do not write anything on the question paper
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Section A:

Question 1:

QUESTION 1: COMPULSORY

You were walking along the road and found a dirty paper with following information from a competing farm. During 2013, Agri food Ltd sold goods worth Shs 1,700, 000/=-, and while selling them the firm incurred a cost of 1,450,000/=-. On the next page, you noticed that sales expenses were 60,000/=-, administrative expenses were 30,000/=-, interest expenses 15,000/=- and other expenses were 25,000/=- and because the business was profitable it paid an income tax of 60,000/=-. Now you have the opportunity to understand the income statement of your rival.

- (a) Construct a loss and profit statement of Agri food Ltd (15 marks)
- (b) Calculate the gross profit (5marks)
- (c) Calculate operating profit before taxes (5 marks)
- (d) Calculate the net profit of Agrifood Ltd (5 marks)

Section B:

Question 2:

Outline any ten reasons of keeping records

- b) With examples, outline different types of records for a layers farm enterprise.
- c) Discuss different types of plans on the farm

Question 3: Change is a fact of life and farms experience a lot of changes if they are to remain relevant..

- i) Under what circumstances are changes necessary on a farm?
- ii) Why is change always resisted?
- iii) Devise a plan of overcoming resistance to change on a farm

Question 4:

Managing a farm provides a big challenge to most managers. In a farm industry of your choice,

- (a) Discuss the tasks performed by a farm manager.
- (b) Describe the various approaches to managing a farm business team and which one do you recommend and why?

Question 5:

Decision making provides a big challenge to most managers. There are some economic principles that guide farm managers. State and explain these principles:

- (a) Principle of added returns (5 marks)
- (b) Principle of input substitute (5 marks)
- (c) Principle of product substitution (5 marks)
- (d) Principle of Equi-marginal (5 marks)

Question 6:

Depreciation is an important management tool in farm operations. a farm intends to depreciate a plough machine with a cost of \$10,000, a salvage value of \$2,000, and a useful life of 10 years. Calculate the depreciation per annum using;

- a) Straight line method (10 marks)
- b) Declining method (10 marks)