

# UGANDA MARTYRS UNIVERSITY

## FACULTY OF AGRICULTURE

### BSC. AGRICULTURE YEAR 4

SPECIALS AND SUPPLEMENTARY EXAMS SEPTEMBER 2015

### Module 15: Farm Management and Administration

#### *Instructions:*

1. Question 1 is compulsory
2. Answer any 3 questions in section B
3. Start each answer on a separate answer sheet
4. You are allowed three hours for the examination

#### **Section A:**

##### **Question 1:**

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.( 25 marks)
- b) Calculate the gross profit (5 marks)
- c) Calculate operating profit before taxes (5 marks)
- d) Calculate the net profit of Agri-food Ltd (5 marks)

#### **Section B:**

##### **Question 2:**

Farm management includes making decisions, executing and subsequently evaluating them using the available resources so as to achieve the desired goals. With examples describe

- a) Five steps of the decision-making process (5 marks).
- b) Outline three differences between partial and complete budgets. (5 marks).
- c) Mention steps followed to construct a partial budget on the farm (10 marks).

##### **Question 3: Managing a farm for the better.**

- a) Under what circumstances are changes necessary on a farm? (5 marks)
- b) Why is it always resisted? (5 marks)

- c) Devise a plan of overcoming resistance to change on a farm (10 marks)

**Question 4:**

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

- (a) Discuss the tasks performed by a farm manager.
- (b) Describe the various approaches to managing an agribusiness team and which one do you recommend and why?
- c) Discuss the difference between management and leadership

**Question 5:**

With illustration from Uganda distinguish between the following key farm management concepts;

- i) Demand and supply (10 marks)
- ii) Average Total Costs (ATC) and Marginal Total Costs (MC) (10 marks)

**Question 6:**

- a) Describing the various marketing functions (10 marks)
- b) Discuss the various marketing channels of agricultural commodities (10marks).

**Question 7:**

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

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

**Question 8:**

The mainstay of Uganda is Agriculture which is 80% subsistence in nature.

- (a) Distinguish between the subsistence farming and commercial farming (10 marks).
- (b) Discuss the characteristics of subsistence farming (10 marks)