



FIJI NATIONAL UNIVERSITY

**COLLEGE OF AGRICULTURE, FISHERIES & FORESTRY
SCHOOL OF AGRICULTURAL SCIENCES
DEPARTMENT OF CROP PRODUCTION**

**FIN 301: AGRICULTURAL ENTREPRENEURSHIP & FINANCE
CERTIFICATE III IN COMMERCIAL AGRICULTURE- YEAR II
FINAL EXAMINATION – TRIMESTER 2, 2017**

*Time Allowed: 3 hours plus 10 minutes reading
Total marks: 100*

INSTRUCTIONS

1. This paper consists of **four** sections and **5** pages.
2. Answer all questions in the answer booklet provided.
3. Make sure to indicate your **identification number** in all pages you use.
6. This exam is worth 40% of your overall mark.

SECTION A	10 MULTIPLE CHOICE QUESTIONS	20 MARKS
SECTION B	PART I: TRUE AND FALSE PART II: MATCHING	20 MARKS 10 MARKS
SECTION C	SHORT ANSWER QUESTIONS	30 MARKS
SECTION D	LONG ANSWER QUESTIONS	20 MARKS
TOTAL		100 MARKS

SECTION A MULTIPLE CHOICE

(20 Marks)

All questions are compulsory attempt all. Each question is worth 2 marks.

1. What does CTRL A mean?
 - A. Go to the next field.
 - B. Move to a previous revision.
 - C. Perform last action again.
 - D. Selects all in the current document.

2. CTRL M means
 - A. Left Alignment.
 - B. Creates a new document.
 - C. Run menu.
 - D. Tab.

3. CTRL I means
 - A. Create Hyperlink.
 - B. Right Alignment.
 - C. Left Alignment.
 - D. Italic text

4. CTRL U means
 - A. Underline text.
 - B. Displays the Save dialog box.
 - C. Maximize window.
 - D. Full Justification.

5. The correct definition for partial budgeting is
 - A. The estimates of receipts (income), costs, and profits associated with the production of agricultural products.
 - B. Those expenses that vary with output within a production period and result from the use of purchased inputs and owned assets.
 - C. Those costs that do not vary with the level of output and result from ownership of assets and therefore will not change in the short run.
 - D. A planning and decision-making framework used to compare the costs and benefits of alternatives faced by a farm business.

6. Fixed costs can be defined as
 - A. Those expenses that vary with output within a production period and result from the use of purchased inputs and owned assets.

- B. Those that do not vary with the level of output and result from ownership of assets (and therefore will not change in the short run).
 - C. Those which can either loss or gain potential from other alternatives when one alternative is chosen.
 - D. Those that has already been incurred and cannot be recovered.
7. Financing activities consist of
- A. Activities that will alter the equity or borrowings of a company.
 - B. Activities consist of payments made to purchase long-term assets, as well as cash received from the sale of long-term assets.
 - C. Activities consist of revenue-generating activities of a company.
 - D. Activities that can be considered less important than the income statement and the balance sheet.
8. SHIFT + F2 Key means
- A. Copy text.
 - B. Move to a previous revision.
 - C. Bold text.
 - D. Save document.
9. Which one of the following is not a requirement of budgeting
- A. Data of input and output estimates.
 - B. Clear distinction between fixed and semi-fixed costs.
 - C. Recurring or variable items of expenditure (expenses).
 - D. Changes in market conditions of products and feeds.
10. The formula for calculating break even analysis is
- A. Breakeven price = projected total costs ÷ expected yield.
 - B. Breakeven price = projected total costs x expected yield.
 - C. Breakeven price = expected yield ÷ projected total costs.
 - D. Breakeven price = expected yield x projected total costs.

SECTION B

(30 Marks)

PART I: TRUE AND FALSE

(20 Marks)

All questions are compulsory attempt all. Each question is worth 2 marks.

1. One of the factors affecting budget is unforeseen circumstances like abnormal weather.

2. One of the importance of budgeting is that it does not help to draw alternate plans of quick improvement on the existing plan.
3. One of the requirements of budgeting is the data of input and output estimates.
4. One advantage of budgeting is that it makes farmer careful of leakage or wastes in the operation of farm.
5. Fixed costs are those that do not vary with the level of output and result from ownership of assets (and therefore will not change in the short run).
6. Breakeven price = projected total costs ÷ expected price.
7. Breakeven analysis is a useful farm management tool because it allows for the calculation of various combinations of price and yield (sensitivity analysis) that will cover projected costs.
8. Enterprise budgets also are very useful in selecting the mix of enterprises that will be undertaken on the farm.
9. One of the characteristics of entrepreneurship is Interpersonal skills.
10. CTRL and C — Copies the item or text to the Clipboard.

PART II: MATCHING

(10 Marks)

1. Financial Bootstrapping	A. Are the expenses which are related to the operation of a business, or to the operation of a device, component, and piece of equipment or facility.
2. External Financing	B. Expenses include accounting fees, advertising, insurance, interest, legal fees, labor burden, rent, repairs, supplies, taxes, telephone bills, travel expenditures, and utilities.
3. Business Angels	C. Are those costs that vary depending on a company's production volume; they rise as production increases and fall as production decreases.
4. Venture Capital	D. Is a cost that does not change with an increase or decrease in the amount of goods or services produced or sold.
5. Buyouts	E. Is a cost that has already been incurred and cannot be recovered.
6. Sunk costs	F. Are forms of corporate finance used to change the ownership or the type of ownership of a company through a variety of means.
7. Fixed costs	G. Capital is a way of corporate financing by which a financial investor takes participation in the capital of a new or young private company in exchange for cash and strategic advice.
8. Variable costs	H. Is a private investor that invests part of his or her own wealth and time in early stage innovative companies.
9. Overhead costs	I. Businesses often need more capital than owners are able to provide.
10. Operating Costs	J. Is a term used to cover different methods for avoiding using the financial resources of external investors.

SECTION C SHORT ANSWER QUESTIONS

(30 Marks)

All questions in this section are compulsory attempt all. Marks for each question are allocated.

1. TIN stands for? (1 Mark)
2. What does NTPC stands for? (1 Mark)
3. FRCA stands for? (1 Mark)
4. Define the term entrepreneurship. (2 Marks)
5. List down the 6 characteristics of entrepreneurship. (6 Marks)
6. What does the following Microsoft short cut keys stands for: (4 Marks)
 - a. CTRL + X.
 - b. CTRL + V.
 - c. CTRL and S.
 - d. CTRL and B.
7. List down 2 advantages of Budgeting. (2 Marks)
8. List down the 10 basic steps of a marketing plan. (5 Marks)
9. List down 3 factors affecting budgeting. (3 Marks)
10. List down the 2 types of budgets. (1 Mark)
11. List down 4 importance of budgeting. (4 Marks)

SECTION D LONG ANSWER QUESTIONS

(20 Marks)

There are three questions provided in this section. Choose any two questions of your choice and write approximately 200 words for each question. Each question is worth 10 marks. (Start each question on a new page).

1. Define the term entrepreneurship and in detail discuss the characteristics of entrepreneurship and the several key tips for those wanting to enter the world of entrepreneurship.
2. Define the term budgeting, discuss the objectives of budgeting, the factors affecting budgeting and furthermore the importance of budgeting for agricultural decision making.
3. A marketing plan is a comprehensive document or blueprint that outlines a company's advertising and marketing efforts for a particular year. It describes business activities involved in accomplishing specific marketing objectives within a set time frame. In this essay discuss the purpose of the marketing plan and the ten basic steps (in order) that is involved in a marketing plan.

THE END

