



College of Agriculture, Fisheries and Forestry

School of Agricultural Sciences and Forestry

Department of Crop Production

Bachelor of Veterinary Science and Animal Husbandry – Year 3

Final Examination - Trimester 2 - 2019

VAE 701 - Livestock Enterprise and Business Management

Time Allowed: 3 hours (An extra 10 minutes is allowed for reading this paper) Total marks: 100

INSTRUCTIONS

1. This paper has 3 sections. **Sections A and B are compulsory. Note choices in section C.** The paper has 6 pages.
2. Answer all your questions in the answer booklet provided.
3. Begin each question on a new page.

Summary of questions

Section	Guideline	Total Marks
A	There are 10 multiple choice questions. Attempt all.	10
B	There are 3 short answer type questions. Each question carries 10 marks. Attempt all.	30
C	There are 7 essay type questions. Each question carries 10 marks. Answer any 6 questions only.	60

Turnover

Section A

Multiple Choice

(10 marks)

The multiple choice questions in this section are compulsory. Each question is worth 1 mark. In your answer booklet, write the alphabets that best represents the answer beside each numeric's.

1. In Fiji, the farm gate sales for livestock commodity accounts for \$200m annually. Which of the following livestock commodity listed below accounts as largest contributor towards this sale?
 - A. Beef.
 - B. Dairy.
 - C. Sheep.
 - D. Poultry.

2. Refer to the statement given below and answer the question that follows.

Is the activity of setting up a business or businesses, taking on financial risks in the hope of profit?

Which of following listed below best gives the description of the statement above?

- A. Management.
 - B. Agribusiness.
 - C. Entrepreneurship.
 - D. Planning.
3. Which of the following listed below is not an example of current asset?
 - A. Livestock drugs.
 - B. Feeds.
 - C. Manure.
 - D. Farm building.

Turnover

4. _____ refers to the measure of the return an investment generates over a period of time.
- A. Return to capital
 - B. Return to assets
 - C. Internal rate of return
 - D. None of the above
5. The type of budget which is prepared to measure the change in the income and expenses that comes about as a result of switching from one enterprise to another is known as:
- A. partial budget.
 - B. enterprise budget.
 - C. cash flow budget.
 - D. profit and loss statement.
6. In accounting terms *owners' equity* refers to:
- A. total assets minus total liabilities.
 - B. total liabilities.
 - C. net worth statement.
 - D. total assets.
7. _____ refers to the reduction in the value of the asset.
- A. Liquidity
 - B. Solvency
 - C. Depreciation
 - D. Ratios

Turnover

8. Which of the following listed below is not an example of investment capital?
- A. Farm house.
 - B. Milking shed
 - C. Feed.
 - D. Stock.
9. A _____ is listing of all estimated income and expenses associated with a specific enterprise to provide an estimate of its profitability.
- A. cash flow budget
 - B. partial budget
 - C. enterprise budget
 - D. profit and loss statement
10. _____ is the extra cost incurred as a result of an additional input added to increase the output by one more units.
- A. Overhead cost
 - B. Semi-variable cost
 - C. Variable cost
 - D. Marginal cost

Section B.

There are 3 short answer questions in this section. Each question carries 10 marks. **Attempt all.**

Question 1

1. Utilize your knowledge and present your understanding on agriculture including livestock's contribution towards national GDP and how it (livestock) assists towards economic wellbeing of rural sector. **(3m)**
2. Demonstrate your understanding as why Fiji's major export crops like sugar, fish, root and horticultural crops to name a few are facing stiff competition in international markets. **(3m)**
3. Evaluate your understanding as how current asset is different from fixed asset. Provide suitable example to support your answer. **(4m).**

Turnover

Question 2

1. Utilize your knowledge to explain the concept of “return to capital” in livestock economics. (4m)
2. Apply your knowledge to state how bondholder is different from stockholder? (3m)
3. Demonstrate your understanding on the concept of “self-employment”. (3m)

Question 3

1. State how partial budget could help farm managers to make informed decisions. (3m)
2. Demonstrate your understanding as how profitability ratio is different from solvency ratio. (3m)
3. Explain the role of budgeting in livestock economics. (4m)

Section C

There are 7 essay type questions in this section. Each question carries 10 marks. **Answer any 6 questions only.**

Question 1

(10 marks)

Fiji development Bank (FDB) is one of the major money lending institution in Fiji to boost the agricultural industry. Utilize your knowledge acquired from this course to discuss four major constraints faced by FDB while attempting to offer financial assistance to local farmers.

Question 2

(10 marks)

Demonstrate your understanding as how Young Entrepreneurial Scheme (YES program) could help towards raising the economy prosperity of small island nation like Fiji.

Question 3

(10 marks)

Demonstrate your knowledge on 5 land related constraints affecting the agricultural development in Fiji and suggest a solution to each.

Turnover

Question 4

(10 marks)

Mr. Jain Mudliar of Vuci South road constructed a veterinary clinic worth \$18,000 at the beginning of year 2019. Taking into account an annual depreciation of 20%, estimate the value of the clinic by the end of year 2023. Note: use reducing balance method to answer this question.

Question 5

(10 marks)

In economics, valuation of farm/business assets are done by 5 methods. Utilize your knowledge gained from this course to demonstrate your understanding as how these valuation methods are carried out.

Question 6

(10 marks)

Part I

State your argument how investment capital is different from operating capital. Support your answer with relevant example.

Part II

State using illustration the application and importance of breakeven analysis.

Question 7

(10 marks)

The consumption of livestock product in recent years had shown an increasing trend. Identify and explain at least 4 factors which could have possibly contributed towards this change in pattern.

The End