

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF
CERTIFICATE IN ENTERPRENEURSHP AND FARM MANAGEMENT**

AGEC 00243: ENTREPRENEURSHIP AND FARM MANAGEMENT

STREAMS: CERT (AGEC) Y2S2

TIME: 2 HOURS

DAY/DATE: FRIDAY 09/08/2019

2.30 PM – 4.30 PM

INSTRUCTIONS:

Answer ALL Questions

Question One

(i) We look at farm management in two ways: management as a problem-solving activity and management as a decision-making activity. Briefly explain these activities as used in farm management. [10 marks]

(ii) Farm planning is the process of making decisions regarding the organization and operation of a farm business so that it results in a continuous maximization of net returns of a farm business.

(a) Briefly explain the characteristic of a good farm plan. [5 marks]

(b) You have been hired as a farm manager for the Chuka farm to plan for over two hundred acres of land. Explain factors to consider when planning for this farm. [10 marks]

SECTION B: ANSWER ANY THREE QUESTIONS

QUESTION TWO

(a) You are provided with the following information of Carsten Farm for the year ended 31st December 2010.

Cash in hand 500

Debts due for payment in long term	19,900
Land with crops	3000
Building	13000
Machinery	15000
Mortgages	5300
Debts due for payment in 2 years	12900
Feed in stock	500
Harvested crops	9200
Supplies	200
Dairy cow & breeding stock	15000
Stock for sale	1400
Debt due for payment	500
Act receivable	1100

- (a) Using the information above, calculate the net worth of the farmer. [10 marks]
- (b) Using relevant examples, explain various ways on how enterprises are combined in the farm. [5 marks]

QUESTION THREE

- (a) Explain what is meant by the term business plan and discuss the objectives of a business plan. [5 marks]
- (b) Develop a business plan and discuss its various component. [10 marks]

QUESTION FOUR

- (a) “Entrepreneurship connotes innovation, risk-bearing and relatively dynamic leadership”. Explain what is meant by
- (b) Innovation [5 marks]
- (c) Risk-bearing [5 marks]
- (d) Dynamic leadership [5 marks]

QUESTION FIVE

- (a) “Without vision, the people perish. Without entrepreneurship, the economy of a country stagnate. Discuss the statement. [10 marks]
- (b) Explain five reasons why most small business failure. [5 marks]
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