

# UNIVERSITY OF FORT HARE

Faculty of Science and Agriculture

Agricultural Market Analysis (AGE 312)

Examination

Question paper

Time:	3 hours
Subject	Agricultural Market Analysis (AGE 312)
Marks	100

**Internal examiners**

Prof A Taruvinga

Ms O Zamisa

**External Examiner**

Prof MA Antwi

**Instructions**

Answer all questions from section A and B

## SECTION A

### QUESTION 1 [25]

- 1.1. Give 10 importance of Agricultural Marketing. [10]
- 1.2. Name and explain 4 types of market functionaries/agencies involved in marketing of an agricultural commodity. [4]
- 1.3. Name 5 types of adopters in the adoption process. [5]
- 1.4. List 6 pricing objectives. [6]

### QUESTION 2 [25]

- 2.1. Name four factors influencing the price elasticity of demand. [4]
- 2.2.

Points	Price	Quantity demanded
A	55	10
B	45	20
C	35	30
D	25	40
E	15	50

- a. Use the midpoint point formula to calculate the price elasticity of demand from point B to C. Is the demand elastic or inelastic? [5]
- b. Calculate the before and after revenue. Show by a graph if total revenue is increasing or decreasing. [8]
- 2.3. Suppose the quantity demanded for movie tickets increases from 500 to 1000 in cinemas when the income of consumers increases from R5000 to R6500. Calculate the income elasticity of demand, are movie tickets a normal or an inferior good? [5]
- 2.4. Suppose the cross elasticity of demand for products A and B is +2 and for products C and D is -3 and for products E and F is 0. State whether the goods are complements, substitutes or unrelated? [3]

## **SECTION B**

### **QUESTION 3** **[20]**

- 3.1. Name four markets structures and give 2 characteristics for each. [12]
- 3.2. Show with graphs the “Short-Run and Long-Run Adjustments to an Increase in Demand” in perfect competition. [8]

### **QUESTION 4** **[15]**

- 1.1. Define “marketing margins”. [3]
- 1.2. Consider an increase in the storage costs of a firm due to an increase in electricity. Using a graph, show the effect of such an increase to the marketing margins. [12]

### **QUESTION 5** **[15]**

- 1.1. List 5 functions of cooperatives. [5]
- 5.2. List 10 Advantages of co-operative marketing. [10]