

University of Pretoria Yearbook 2020

Agricultural economics 415 (LEK 415)

Qualification Undergraduate

Faculty [Faculty of Natural and Agricultural Sciences](#)

Module credits 16.00

Programmes [BCom Agribusiness Management](#)

[BScAgric Agricultural Economics and Agribusiness Management](#)

Service modules Faculty of Economic and Management Sciences

Prerequisites LEK 210 GS; STK 110 GS; STK 120 GS or WTW 134 GS or WTW 165 GS

Contact time 1 practical per week, 3 lectures per week

Language of tuition Separate classes for Afrikaans and English

Department Agricultural Economics Extension and Rural Develo

Period of presentation Semester 1

Module content

Derivative instruments in agriculture: To prepare students for taking the SAFEX Agricultural Markets Division brokerage exam. Giving an in-depth knowledge on the importance of hedging. Giving an in-depth knowledge on designing and implementation of low/zero risk hedging strategies. Introduction to the mathematics of portfolio management and mathematical modelling of derivatives. Working knowledge of the mathematical relationships in the management of a hedged portfolio. Working knowledge on the applicable software for managing derivative portfolios. Introduction into the management of option portfolios. To expand the thinking on the uses of derivatives, by also dealing with the hedging of diesel cost, interest rates and weather events.

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