

University of Pretoria Yearbook 2017

Agricultural economics 415 (LEK 415)

Qualification Undergraduate

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

Module credits 18.00

Programmes [BCom Agribusiness Management](#)
[BScAgric Agricultural Economics and Agribusiness Management](#)

Service modules Faculty of Economic and Management Sciences

Prerequisites EKN 110, LEK 220 and WTW 134 or WTW 165

Contact time 3 lectures per week, 1 practical per week

Language of tuition Separate classes for Afrikaans and English

Academic organisation Agric Econ, Ext + Rural Dev

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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