

University of Pretoria Yearbook 2019

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	EKN 110, LEK 220 and WTW 134 or WTW 165
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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