

University of Pretoria Yearbook 2022

Introduction to agricultural economics 210 (LEK 210)

Qualification	Undergraduate
Faculty	Faculty of Natural and Agricultural Sciences
Module credits	14.00
NQF Level	06
Programmes	BCom (Agribusiness Management) BCom (Statistics and Data Science) BSc (Food Science) BScAgric (Agricultural Economics and Agribusiness Management) BScAgric (Animal Science) BScAgric (Applied Plant and Soil Sciences) BScAgric (Plant Pathology)
Service modules	Faculty of Economic and Management Sciences
Prerequisites	No prerequisites.
Contact time	1 practical/tutorial per week, 3 lectures per week
Language of tuition	Module is presented in English
Department	Agricultural Economics Extension and Rural Develo
Period of presentation	Semester 1

Module content

Introduction to the world of agricultural economics: where to find practising agricultural economics services, overview of South African Agricultural Economy, scope of agricultural economics. Introduction to consumption and demand: utility theory, indifference curves, the budget constraint, consumer equilibrium, the law of demand, consumer surplus, tastes and preferences, and measurement and interpretation of elasticities. Introduction to production and supply: condition for perfect competition, classification of inputs, important production relationships, assessing short-run business costs, economics of short-run decisions. Isoquants, iso-cost line, least cost combination of inputs, long-run expansion of inputs, and economics of business expansion, production possibility frontier, iso-revenue line and profit maximising combination of products. Introduction to market equilibrium and product prices: market equilibrium in a perfectly competitive market, total economic surplus, changes in welfare, adjustments to market equilibrium, market structure characteristics, market equilibrium in a imperfectly competitive market, government regulatory measures. Introduction to financial management in agriculture: Farm management and agricultural finance, farm management information; analysis and interpretation of farm financial statements; risk and farm planning. Budgets: partial, break-even, enterprise, total, cash flow and capital budgets. Elements of business plan, marketing planning and price risk. Financial structuring and sources of finance for farm business. Time value of money.

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