

**NATIONAL UNIVERSITY OF LESOTHO
BSC AGRICULTURAL ECONOMICS EXAMINATIONS
AEC 4309: AGRICULTURAL FINANCE AND CREDIT**

MAY/JUNE 2023

MARKS: 100

TIME: 3 HOURS

INSTRUCTIONS:

Answer all questions. The paper carries 100 marks

*** This paper consists of one page, excluding the cover page**

QUESTION ONE (40 marks)

Discuss both qualitative and quantitative factors that influence the repayment capacity across all categories of farmers.

QUESTION TWO (40 marks)

EVAN'S COMPANY BALANCE SHEET			
Cash	M 40 000.00	Accounts payable	M 30 000.00
Marketable securities	M 10 000.00	Accrued expenses	M 20 000.00
Accounts receivable	M 20 000.00	Notes payable	M 10 000.00
Inventory	M 30 000.00	Current portion of long-term debt	M 25 000.00
Total Current Assets	M 100 000.00	Total Current Liabilities	M 85 000.00

*Using the information above, calculate the following;

(a) Evan's company **quick ratio** and then explain what this ratio (value) means in term of the company's financial situation.

(b) Evan's company cash ratio, and then explain what this ratio (value) means in terms of the company's financial situation.

(c) Company's Net working capital

QUESTION THREE (20 marks)

Discuss measures for strengthening the repayment capacity among farmers in both developed and developing countries.