



HERBERT CHITEPO SCHOOL LAW AND BUSINESS SCIENCES
Department of Economics and Finance

EXAMINATION PAPER

BACHELOR OF COMMERCE

PART 2 SEMESTER 1

MODULE NARRATION

AGRICULTURE INSURANCE

CODE

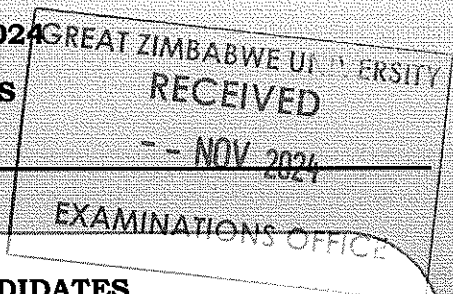
HRMI2110

DATE

JUNE 2024

DURATION

3 HOURS



INSTRUCTIONS TO CANDIDATES

1. ANSWER **ANY FOUR** QUESTIONS
2. EACH QUESTION CARRIES **25 MARKS**
3. AS MUCH AS POSSIBLE **CITE RELEVANT** EXAMPLES
4. START EACH QUESTION ON A FRESH PAGE

QUESTION 1 [25 MARKS]

Discuss and evaluate the strategies that can be employed to create an enabling environment for the mobilization of agricultural insurance products, citing real life policy interventions and regulatory reforms that have promoted the uptake of insurance among farmers in Zimbabwe.

QUESTION 2 [25 MARKS]

Zimbabwean farmers are grappling with a myriad of risks, including weather variability, market uncertainty, and input price fluctuations. Define the meaning and nature of agricultural risk in Zimbabwe, discussing the specific challenges faced by farmers and stakeholders in managing these risks effectively.

QUESTION 3 [25 MARKS]

Farmer Keneiliwe has for a long time been growing passion fruits under rain fed conditions. She is offered low prices when the conditions are good and she has produced a bumper harvest. The prices are high during the years when rainfall are deficient but she normally has no fruits to offer to the market. She is also unhappy as she feels that the government has not offered her any subsidies or any other help to date. However, an agro-dealer has approached her to sign a contract for farming of passion fruits in her farm. She been told by the agro-dearer that the contract will also involve a bank assurance intermediary. She is optimistic that at last, her lot will improve and she intends to sign the contract.

- 3.1 Explain four benefits she may get from contract farming. [8 marks]
- 3.2 Outline four tasks the government may have played to help her in improving her farm produce uptake price. [8 marks]
- 3.3 Explain to her the challenges she may still face even when practising contract farming. [9 marks]

QUESTION 4 [25 MARKS]

As part of a government initiative to promote sustainable agriculture, a group of farmers in Zimbabwe is seeking advice on risk management strategies. Explain the concept of on-farm risk mitigation techniques and provide examples of how these techniques can be applied in different agricultural contexts.

QUESTION 5 [25 MARKS]

In the wake of climate change and increasing weather-related risks, agricultural insurance has become a vital tool for farmers in Zimbabwe. Outline the steps involved in agricultural insurance

portfolio management, highlighting the role of diversification, risk assessment, and claims management in ensuring the sustainability of insurance offerings.