

Name:

Date:

Class:

## Lesson 8.1: Agribusiness and Marketing

### Know and Understand

*Answer the following questions using the information provided in this lesson.*

1. What is the total amount of agricultural goods sold each year? (8.1.1)

- A. \$150 million
- B. \$450 million
- C. \$3 trillion
- D. \$7 trillion

Answer:

2. The place where demand and supply intersect is known as market \_\_\_\_\_. (8.1.1)

- A. boost
- B. equilibrium
- C. fractioning
- D. price

Answer:

3. Which of the following is a reason some farm products are subsidized? (8.1.1)

- A. To protect future production.
- B. Farmers do not have enough money to produce products.
- C. Farm product markets are incredibly stable.
- D. Niche markets can cut into general production.

Answer:

4. In breakfast cereal production, there are numerous companies with slightly different variations in the product. Which type of market competition exists in the breakfast cereal market? (8.1.1)

- A. Perfectly competitive

- B. Monopolistic competition
- C. Oligopoly
- D. Monopoly

Answer:

5. Market animals in a livestock enterprise are considered \_\_\_\_\_ assets. (8.1.2)
- A. current
  - B. noncurrent
  - C. capital
  - D. variable

Answer:

6. The \_\_\_\_\_ value of a depreciable asset is the amount of money the asset is worth when all of the usefulness to the business is gone. (8.1.2)
- A. balanced
  - B. recoup
  - C. salvage
  - D. withered

Answer:

7. Which of the following would be considered a noncurrent asset for a candy company? (8.1.2)
- A. Industrial cooling racks
  - B. Flavoring oils
  - C. 250 lb of sugar
  - D. Shipping boxes

Answer:

8. Which of the following would be considered a liability? (8.1.2)
- A. Equipment loans
  - B. Operating loans

- C. Chattel mortgage
- D. All are correct.

Answer:

9. The mathematical calculation that business owners can complete to help them know the total value of their business is a(n) \_\_\_\_\_ analysis. (8.1.2)

- A. income
- B. cash flow
- C. net worth
- D. market

Answer:

10. Selling which of the following items would be considered a capital sale for a beef cattle operation? (8.1.2)

- A. Bred cows
- B. Leftover hay
- C. Market calves
- D. Pasture rent

Answer:

11. *True or False?* A positive ROI means a company made more money than it spent. (8.1.2)

Answer:

12. The forecasting and assessing of potential scenarios that could reduce a business's profitability is referred to as \_\_\_\_\_. (8.1.3)

- A. return on investment
- B. risk management
- C. risk mitigation
- D. risk integration

Answer:

13. What are the five common risk categories that agribusiness owners focus on?  
(8.1.3)

Answer:

14. What is the difference between a sole proprietorship and a corporation? (8.1.4)

Answer:

15. What are the advantages for producers involved with vertical integration? What are the advantages for the parent company? (8.1.4)

Answer:

16. What information would you include in a comparative advantage? (8.1.4)

Answer:

17. What should be covered in a business action plan? (8.1.4)

Answer:

18. What are business ethics? Identify three actions that would violate business ethics.  
(8.1.5)

Answer: