

## AGRIBUSINESS

- 1) Selling cattle on a grid marketing contract at a feedlot will allow the farmer to \_\_\_\_.
  - A) set a base price for various carcass quality and yield traits
  - B) pay for each animal on its actual dressed weight
  - C) price all animal carcasses as an average
  - D) receive a higher price for higher quality carcasses
  
- 2) An example of \_\_\_\_\_ is when milk is sterilized by heat, placed in sterilized containers, and stored for sale at ambient temperature.
  - A) pasteurization
  - B) pressurization
  - C) canning
  - D) aseptic processing
  
- 3) An example of reducing production risk includes \_\_\_\_\_.
  - A) crop diversification
  - B) no crop rotation
  - C) monoculture
  - D) late planting
  
- 4) A dairy marketing business that is typically owned by dairy farmer customers is a(n) \_\_\_\_\_.
  - A) cooperative
  - B) sole proprietorship
  - C) investor-owned firm
  - D) not-for-profit business
  
- 5) An example of a strategic decision would be determining \_\_\_\_\_.
  - A) when to sell grain
  - B) milking times for a dairy
  - C) what type of business/legal organization to choose
  - D) fertilizer levels for crops
  
- 6) The price at which an option buyer has the right to exercise the purchased option is called the \_\_\_\_\_.
  - A) basis
  - B) strike price
  - C) spread
  - D) option's premium

- 7) A(n) \_\_\_\_ can help to create a positive image of agriculture.
- A) public relations plan
  - B) promotion
  - C) advertisement
  - D) advertising plan
- 8) A successful salesperson needs to understand why and how \_\_\_\_.
- A) people eat
  - B) sellers sell
  - C) farmers grow
  - D) customers buy
- 9) A grain producer who wants the right, but **not** the obligation, to sell a particular commodity at a specific price would use a \_\_\_\_.
- A) basis contract
  - B) put option
  - C) cash forward contract
  - D) call option
- 10) Goods that are purchased from a foreign country are known as \_\_\_\_.
- A) foreign exchange
  - B) imports
  - C) exports
  - D) tariffs
- 11) An opportunity cost is \_\_\_\_.
- A) what one has to pay up front to pursue an opportunity
  - B) the cash cost of an opportunity pursued
  - C) the noncash cost of an opportunity foregone
  - D) the cash cost of an opportunity foregone
- 12) Deflation is the \_\_\_\_.
- A) price at which the interest rate will equal the inflation rate
  - B) future value of a dollar in that it will buy less in the future than it will buy today
  - C) decline in the price of goods and services
  - D) farmer's profit margin will increase over time due to higher prices

- 13) All of the following are costs to doing business **except** \_\_\_\_.
- A) capital expenditures
  - B) net worth
  - C) cost of human resources
  - D) government regulations
- 14) What is the common abbreviation for the production technology that has produced corn that is resistant to some commercial herbicides?
- A) GTO
  - B) GMO
  - C) PTO
  - D) HMO
- 15) A government-set, maximum allowable price is known as a price \_\_\_\_.
- A) limit
  - B) floor
  - C) ceiling
  - D) subsidy

- 1) D
- 2) D
- 3) A
- 4) A
- 5) C
- 6) B
- 7) A
- 8) D
- 9) B
- 10) B
- 11) C
- 12) C
- 13) B
- 14) B
- 15) C