Farm Management 10th edition Kay Test Bank

SKU: 9781264532643-TEST-BANK

Correct Answers are located at the end of each chapter.

TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.

1) In the future, farm managers will have to be concerned about the environmental effects of their practices on their own farms, but not away from their own farm.
   - ◎ true
   - ◎ false

2) Standardized accounting practices for farming operations will make comparisons with other farms and nonfarm businesses more meaningful.
   - ◎ true
   - ◎ false

3) One of the most important areas in which advances in electronics can help farm managers is in collecting the raw data needed to make better decisions.
   - ◎ true
   - ◎ false

4) Since farm managers will be making the same basic types of decisions in the 21st century as they did in the previous century, they can rely on rules of thumb to guide their actions.
   - ◎ true
   - ◎ false

5) Product differentiation means producing crops and livestock with different characteristics for specific markets.
   - ◎ true
   - ◎ false

6) Entering into vertical integration alliances helps farms or ranches become more independent.
   - ◎ true
   - ◎ false

Farm Management 10th edition Kay Test Bank

MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.

7) One force that has helped cause farms in the United States to become larger and fewer is
   A) competition from foreign producers.
   B) lower production costs per unit by spreading fixed investment in technology over more units.
   C) more labor used in agricultural production.
   D) declining nonfarm wage rates.

8) Improved data collection technology such as satellite or drone-based photography will be most helpful to farm managers for
   A) preparing up-to-date financial statements.
   B) balancing livestock rations.
   C) prescribing fertility and pest control practices for smaller land units.
   D) producing more uniform products.

9) Standardization of farm financial ratios and accounting practices will help farm managers
   A) compete with nonfarm businesses for capital.
   B) summarize their account books in less time.
   C) pay less income tax.
   D) manage hired employees more effectively.

10) Agricultural processors will probably want more uniform products in the future in order to
   A) pay lower prices to producers.
   B) diversify their product lines.
   C) reduce environmental contamination.
   D) make more efficient use of processing and packaging equipment.

11) By forming strategic alliances, small and medium-sized farmers and ranchers can
   A) increase their managerial freedom.
   B) achieve advantages of diversification.
   C) achieve marketing advantages that larger operations enjoy.
   D) increase their own volume of production.

Farm Management 10th edition Kay Test Bank

12) An increase in the number of nonfarmers living in rural areas will cause
A) farmland values to decrease.
B) farmers to pay more attention to off-farm effects of their production practices.
C) less regulation of agricultural production practices.
D) profit maximization to be the only criterion for adopting new technologies.

13) Globalization refers to the process of
A) reducing trade barriers among countries.
B) protecting a country's farmers by taxing competing products from other countries.
C) a gradual rise in the average temperature of the earth.
D) countries producing a greater variety of agricultural products for their own needs.

14) Vertical integration refers to the process by which farmers or ranchers
A) grow taller crops.
B) grow a greater variety of products.
C) increase the size of their operation by leasing or buying more land.
D) enter into agreements with processors or distributors to supply them with their products.

15) A beef cow-calf operator who specializes in raising high-quality breeding stock and calves for exhibiting at livestock shows would be classified as
A) high-volume, low-margin producer.
B) low-volume, high-margin producer.
C) service provider.
D) part-time operator.

16) According to the U.S. Census of Agriculture, the largest percentage of farms in the United States would be considered
A) large, corporate farms.
B) medium-size family farms.
C) small, part-time farms.
D) large communally operated farms.

Farm Management 10th edition Kay Test Bank

17) Over the past 30 years the number of farm units in the United States has
A) declined sharply.
B) declined gradually.
C) stayed the same.
D) increased gradually.

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

18) Describe one characteristic or aspect of agriculture that causes decision-making to be different from decision-making in other sectors of the economy.

19) Name one major trend that you think may take place in U.S. agriculture over the next 25 years.

20) Describe how you think a good farm manager will respond to this trend.

21) Describe a current trend in consumer demand for agricultural products, and suggest a way that producers could respond to it.

Farm Management 10th edition Kay Test Bank

Answer Key

Test name: Chapter 01

1) FALSE
2) TRUE
3) TRUE
4) FALSE
5) TRUE
6) FALSE
7) B
8) C
9) A
10) D
11) C
12) B
13) A
14) D
15) B
16) C
17) B
18) Short Answer
19) Short Answer
20) Short Answer
21) Short Answer

Farm Management 10th edition Kay Test Bank