

Agribusiness in schools

WORKSHEET ONE : FARM FINANCIAL LITERACY QUIZ

1

What organisation do you file GST with in New Zealand?

- A. Australian Tax Office
- B. Inland Revenue Department
- C. Department of Internal Affairs
- D. Ministry of Business, Innovation and Employment (MBIE)

2

What is revenue on a farm?

- A. Total expenses
- B. Total income earned
- C. Profit after costs
- D. Debt owed

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What is profit on a farm?

- A. Income before expenses
- B. Expenses minus income
- C. Income minus expenses
- D. Tax paid

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If a farmer purchases coils of high tensile wire for \$115 net each, and GST is 15%, what will the farmer pay per coil, including GST?

- A. \$132.25
- B. \$155.00
- C. \$100.00
- D. \$142.50

5

If a fixed cost in a business is an expense that generally stays stable year on year regardless of production, which of the following is a fixed cost?

- A. Animal feed
- B. Fuel
- C. Insurance
- D. Fertiliser



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If a variable cost on farm is one that changes in proportion with production and seasonal fluctuations, which of the following is a variable cost?

- A. Lease payment
- B. Wages
- C. Animal health
- D. Loan repayments

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Which of the following would be considered capital expenditure?

- A. Wages paid fortnightly
- B. Purchase of a new tractor
- C. Timber to replace an existing fence

8

Does GST apply to bank charges?

- A. Yes
- B. No

9

What does a budget help a farmer do?

- A. Track the weather
- B. Plan income and expenses and forecast cashflow
- C. Increase stock numbers
- D. Reduce tax

10

Why might a farmer create different draft scenarios (alternative budgets)?

- A. To confuse accountants
- B. To plan for different possible outcomes
- C. To reduce milk production
- D. To avoid paying bills

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What is cashflow on a farm?

- A. Profit made in a year
- B. Movement of money in and out of the business
- C. Total farm assets
- D. Amount of milk produced

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In NZ, 1 livestock unit is calculated as:

- A. One 55kg ewe
- B. One 55kg ewe rearing one lamb
- C. One 55kg ewe rearing two lambs



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How is the stocking rate calculated?

- A. Number of animals divided by total effective hectares
- B. Number of animals multiplied by all hectares
- C. Number of stock units divided by total effective hectares
- D. Number of stock units multiplied by effective hectares

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In a livestock reconciliation, where do last year's closing stock numbers show in the following year's reconciliation?

- A. Stock on hand tally
- B. Opening numbers
- C. Year end numbers

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Name a non-financial livestock event that must be recorded in a livestock rec?

- A. Sales
- B. Purchases
- C. Deaths

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What must a farmer record when coding a livestock sale?

- A. Month animal was born
- B. Quantity of animals and average weight
- C. Breed
- D. How many lambs or calves the animal has had

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Which of these is an example of income on a dairy farm?

- A. Buying fertiliser
- B. Paying wages
- C. Milk sales
- D. Repair costs

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What does the break even milk price tell the farmer?

- A. The milk price needed to repay principal
- B. The advance rate paid for milk solids in the current year
- C. The milk price needed to cover costs
- D. The average price per kg of milk solids over the last 5 years



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Which of the following could increase farm profit?

- A. Increasing costs only
- B. Reducing income
- C. Increasing income or reducing costs
- D. Borrowing more money

20

If expenses increase but income stays the same, what happens to profit?

- A. Increases
- B. Decreases
- C. Stays the same
- D. Doubles

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What is depreciation on a farm?

- A. Reduction of an assets value over time
- B. Interest calculated on a loan
- C. Reduction in livestock value

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What is an asset on a farm?

- A. Something the farm owns
- B. Something the farm owes
- C. Farm income
- D. A type of expense

23

What is a liability on a farm?

- A. Something the farm owns
- B. Something the farm owes
- C. Farm income
- D. A type of expense

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What is equity?

- A. Total debt
- B. Assets minus liabilities
- C. Total income
- D. Annual profit

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Are personal drawings considered an operating or non-operating expense?

- A. Operating
- B. Non-operating

