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| **AGRIBUSINESS** |
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| 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 |

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| 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 |

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| 3)  | An example of reducing production risk includes \_\_\_\_\_. |
|  | A) crop diversification |
|  | B) no crop rotation |
|  | C) monoculture |
|  | D) late planting |

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| 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 |

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| 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 |

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| 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 |

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| 7)  | A(n) \_\_\_\_ can help to create a positive image of agriculture. |
|  | A) public relations plan |
|  | B) promotion |
|  | C) advertisement |
|  | D) advertising plan |

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| 8)  | A successful salesperson needs to understand why and how \_\_\_. |
|  | A) people eat |
|  | B) sellers sell |
|  | C) farmers grow |
|  | D) customers buy |

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| 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 |

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| 10)  | Goods that are purchased from a foreign country are known as \_\_\_\_\_. |
|  | A) foreign exchange |
|  | B) imports |
|  | C) exports |
|  | D) tariffs |

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| 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 |

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| 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 |

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| 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 |

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| 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 |

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| 15)  | A government-set, maximum allowable price is known as a price \_\_\_. |
|  | A) limit |
|  | B) floor |
|  | C) ceiling |
|  | D) subsidy |

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| 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 |