



NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF AGRICULTURAL SCIENCES
DEPARTMENT OF AGRICULTURAL ECONOMICS AND EXTENSION
2020_2 EXAMINATION

Programme: Agricultural Extension and Management

Course Title: Principles of Farm Management

Course Code: AEA 308

Credit Unit: 2

Total Score: 70Marks

Time Allowed: 2Hours

INSTRUCTION: Answer question one (1) Compulsory (25marks) and any other three (3) questions (15marks each).

1a. Define the following terms:

- i. Farm Assets
- ii. Liabilities in farm business
- iii. Current Capital Ratio (CCR)
- iv. Net worth or Net capital
- v. Net farm income (2 mks for each = 10marks)

b. i. Highlight the four major types of farm records and accounts you know. (4marks)

ii. Explain the general principles guiding the keeping of farm records and accounts. (6marks)

c. State at least five (5) characteristics of Labour. (5marks)

2a. Elaborate on the term Entrepreneur (3marks)

b. Give six (6) reasons why entrepreneur is separated from labour as a factor of production. (12marks)

3a. i. Mention the two (2) types of Limited Liability Companies. (2marks)

ii. In a tabular form state two (2) differences between the two (2) types of limited liability companies mentioned in 3a. i. above. (4marks)

b. Explain at least six (6) characteristics of Limited Liability Company (9marks)

4a. Conceptualize benefit–cost analysis. (6marks)

b. Discuss the two major classes of benefits and costs of agricultural projects. (9marks)

5a. i. Define Capital (2marks)

ii. State at least six (6) sources of capital you know. (3marks)

b. Discuss; why increasing capital resources is the ultimate goal of any Farm Manager. (10marks)

6. Explain the role of farm manager in the following areas of decision making: a.

Forecasting b. Planning c. Organizing d. Coordinating e. Directing

(2 ½ mks in each case = 15 mks)