



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

Course Code: AEM 451
Course Title: Farm Business Organisation
Credit Unit: 3
Exam Question : POP 2020_2
Total Score: 70 Marks
Instruction: Answer compulsory question 1 (30 marks) and any other 4 questions (10 marks each).
Time Allowed: 2 ½ Hours.

- 1a. Describe the various perspectives of farm management (10 marks).
- b. State any five procedural steps for gross margin analysis (5 marks).
- c. Management is applied in various ways to realise the objectives of a farm business. Discuss (5 marks).
- d. Explain any five measures for reducing risk in farm business (5 marks).
- e. Calculate and interpret the networth of a farm business whose total assets and liabilities are estimated at 64,000.00 and 86,000.00 respectively (5 marks).
- 2a. What are the objectives of farm management (6 marks).
- b. Outline four major functions of a farm manager (4 marks).
- 3a. Mention any five advantages of budgeting in farm business (5 marks).
- b. Outline five animal production records (5 marks).
- 4a. Write short notes on the three classes of liabilities (6 marks).
- b. State four importance of cash flow statement (4 marks).
- 5a. Critically examine the relevance of resource productivity (6 marks).
- b. Differentiate clearly between liquidity and solvency (4 marks).
- 6a. Enumerate the steps involved in decision making (6 marks).
- b. State any four sources of risk in agriculture; giving relevant examples of each (4 marks).
- 7a. State any five attributes of a farm manager (5 marks).
- b. Differentiate between an enterprise and an activity (5 marks).