



NATIONAL OPEN UNIVERSITY OF NIGERIA
University Village, Nnamdi Azikiwe Expressway, Plot 91, Cadastral Zone, Jabi, Abuja
Faculty of Agricultural Sciences, Dept. of Agricultural Economics and Extension,
PoP Examination Questions, September 2020

COURSE CODE: AEM451
COURSE TITLE: Farm Business Organisation
Credit Unit: 3
Total Score: 70 marks
INSTRUCTION: Answer compulsory question 1 (30 marks) and any four questions (10 marks each).
Time Allowed: 2 ½ hours.

- 1a. Describe any five logical steps involved in farm decision making (10 marks).
 - b. State the basic principle of farm management (5 marks).
 - c. Describe any five factors to be considered before selecting a farm (5 marks)
 - d. Explain the concept of planning in farm management (5 marks).
 - e. Mention any five importance of complete budgeting (5 marks).
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- 2a. Discuss any two classes of farm assets, giving at least two examples of each (5 marks).
 - b. Outline any five uses of gross margin analysis (5 marks).
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- 3a. Write a comprehensive note on net farm income (5 marks).
 - b. Describe any five conditions under which cash flow statement is most useful (5 marks).
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- 4a. Explain the four indicators of liquidity (6 marks).
 - b. Define return on equity and state its mathematical relationship (4 marks).
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- 5a. Explain what you understand by management as a factor of production (5 marks).
 - b. List any five relevance of resource productivity (5 marks).
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- 6a. Describe any four sources of risk in agricultural production (6 marks).
 - b. Given: $TVC = ₦120,000$ and $GR = ₦363,000$; calculate the value of gross margin (5 marks).
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- 7a. Enumerate any five uses of farm records (5 marks).
 - b. Outline any five ways to increase gross margin per man- hour of labour (5 marks).