



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF AGRICULTURAL SCIENCES
2021_2 EXAMINATION**

Programme: Agricultural Extension and Management

Course Title: Principles of Farm Management

Course Code: AEC308

Credit Unit: 2

Total Score: 70Marks

INSTRUCTION:

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

Question 1

- ai. What is Capital? (2marks)
- ii. List six (6) sources of capital (3marks)
- b. Discuss how agricultural economics and Farm Management are related. (4marks)
- c. Outline five factors affecting the productivity of land in Nigeria. (5marks)
- d. Give five advantages of keeping farm records and accounts (5marks).
- e. Give three reasons why sole proprietorship is a popular form of business ownership among Nigerian farmers? (3marks).
- f. State three (3) ways on how agriculture in Nigeria can be improved (3 marks)

Question 2

- a. Explain why farm management is regarded as science and why it is not regarded as science. (5marks)
- b. Discuss five main features of sole proprietorship. (10marks)

Question 3

- a. Explain: (i) risk and (ii) uncertainty (5marks)
- b. Mention and discuss four (4) major characteristics of Nigerian agriculture. (10 marks)

Question 4

- a. Mention and discuss five basic principle of farm management (10marks).
- b. Explain the term Land Cost (5marks)

Question 5

- a. Explain the following concepts:
 - i. The law of diminishing returns (2marks)
 - ii. Principle of substitution (2marks)
 - iii. opportunity Cost (2marks)
 - iv. diversification (2marks) and
 - v. specialization (2marks).
- b. Differentiate between a Business and an Enterprise (5 marks)

Question 6

- a. Discuss five (5) factors affecting labour efficiency (10marks)
- b. Briefly discuss overhead cost (5marks)