



**NATIONAL OPEN UNIVERSITY OF NIGERIA  
FACULTY OF AGRICULTURAL SCIENCES  
DEPARTMENT OF AGRICULTURAL ECONOMICS AND EXTENSION  
KM. 4 KADUNA-ZARIA EXPRESS WAY  
POP EXAMINATION 2021 12345**

**Course Code:** AEM 451  
**Course Title:** Farm Business Organisation  
**Credit Unit:** 3  
**Exam Question:** POP 2021\_2  
**Total Score:** 70 Marks  
**Instruction:** Answer any 4 questions only.  
**Time Allowed:** 2 HR

- 1a. Describe the five indicators of profitability (7.5 marks).
- b. State any five relevance of resource productivity (5 marks).
- c. Outline the five recommended practices for good farm management and enhancing risk minimization (5 marks).
  
- 2a. Describe any five measures for reducing risks (7.5 marks).
- b. How does the farm manager answer the question of how to produce (5 marks).
- c. Mention the three divisions of the farm layout (5 marks).
  
- 3a. Explain the four major functions of a farm manager (8 marks).
- b. Mention any four limitations of budgeting (6 marks).
- c. All budgeting is forecasting. Discuss (3.5 marks).
  
- 4a. Describe the three methods of collecting management information under the positive approach (7.5 marks).
- b. Mention the five most common uses of farm records (5 marks).
- c. Differentiate between balance sheet and income statement (5 marks).
  
- 5a. Distinguish between the three types of efficiency (7.5 marks).
- b. Define return on equity and express it mathematically (5 marks).
- c. Mention any five sequential steps involved in decision making (5 marks).