



NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF AGRICULTURAL SCIENCES
DEPARTMENT OF AGRICULTURAL ECONOMICS AND EXTENSION
FIRST SEMESTER EXAMINATION APRIL 2019

Course Title: Farm Business Organization

Course Code: AEA310

Credit Unit: 3

Total Score: 70 Marks

Time Allowed: 3 Hours

INSTRUCTION: Answer Compulsory question 1 (30 marks) and any four questions (10 marks each)

- 1 a. i. Define Economics in terms of resource allocation (4mks)
ii. The farm is a production sub-system of an economy. Discuss (6 mks)
b. Explain any five (5) factors to be considered while setting up a farm (10 marks)
c. Briefly explain four types of farm records you know (10 marks)
- 2 a i. Define Resource Productivity (1 marks)
ii. Distinguish between Partial Productivity and Total Factor Productivity (4 marks)
b. Explain any two (2) types of production efficiency (5 mks)
- 3 a Discuss any three (3) methods of acquiring farm resources (6 marks)
b Briefly explain the following terms;
i. Liquidity (2 marks)
ii. Solvency (2 marks)
- 4 a (i) What are farm resources? (2 marks)
(ii) Discuss briefly four (4) types of farm resources (4 marks)
b List the rewards for using farm resources as discussed in 4 (a) above (4 marks)
- 5 a Define Gross Margin (GM) (2 marks)
b Itemize any six (6) uses of Gross Margin analysis (8 marks)
- 6 a Discuss the dynamic nature of decision making in farm management (4 marks)
b Highlight any four (4) factors that cause changes to plan in decision making (2 marks)
c Briefly discuss management in respect to farm organization (4 marks)
- 7 a Explain the concept of balance sheet (2 marks)
b Highlight two (2) components of a balanced sheet (4 marks)
c List and discuss two types of budgeting you are familiar with (4 marks)