



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

COURSE TITLE: PRINCIPLES OF FARM MANAGEMENT

COURSE CODE: AEC308

TIME ALLOWED: 2 HOUR

CREDIT UNIT: 2

INSTRUCTION: Answer question 1(25 marks) and any other 3 questions (15 marks each)

- 1 a. i Give a definition of farm management as a science. **3½ marks**
ii Describe the scope of farm management. **4 marks**
- b. i Explain division of work as a general principle of management. **2½ marks**
ii Identify (5) methods through which the effects of risks and uncertainties can be reduced in farming. **5Marks**
- c. i Describe the law of diminishing returns in farm management. **2½ marks**
ii Identify Abbott and Makeham (1980) 5 main farm costs involved in agricultural production. **2½ marks**
- d. i Mention any five (5) factors that should be taken into consideration in the use of land for production. **2½ marks**
ii Outline (5) types of cooperative society in business. **2 ½ marks**
- 2a. Mention ten (10) general principles of management. **5marks**
b. Briefly explain ‘motivation’ as a basic principle of farm management. **5marks**
c. Differentiate between risk and uncertainty that affects farm management decisions. **5marks**
- 3 a. Briefly explain the concepts diversification and specialization as principles in farm management. **5 marks**
b. Discuss any five (5) advantages of cooperative society. **10 marks**
- 4 a. State (5) importance of keeping farm records and accounts **5marks**
b. Identify essential farm records in a crop enterprise. **5marks**
c. Mention the (5) costs to be identified in agricultural projects. **5marks**
- 5 ai. Clearly differentiate between” total product on return and total expenditure” as ways of assessing ones business **6 marks**
ii. Highlight two (2) essential features in each case of total product on return and total expenditure **4 marks**
b. Briefly explain what is meant by costs benefits in projects. **5marks**

- 6 a. Outline five (5) characteristics of limited liability company **5marks**
- b. List five (5) essential steps to be followed when making decision in farm management. **5 marks**
- c. Identify five (5) characteristics of Nigerian agriculture. **5marks**