



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

Programme: Agricultural Extension and Management

Course Code: AEM450

Course Title: Agricultural Finance and Marketing

Credit Unit: 3

Total Score: 70 Marks

Time Allowed: 3 Hours

Instruction: Answer compulsory question one (30 marks) and any other four (4) Questions (10 questions each = 40 marks)

- 1ai. What is agricultural finance (3 marks)
- a. Why is the study of agricultural finance important? (10marks)
- b. List and explain the various governmental or institutional sources of finance to a farmer in your area (12marks)
- c. Identify five types of price elasticity of supply you have studied (5marks).

- 2a. Briefly discuss major determinants of price elasticity of demand. (5 marks)
- b. Briefly discuss the major determinants of income elasticity. (3 marks)
- c. State the law of demand. (2 marks)

- 3a. Why is marketing an important component in agricultural business? (7 marks)
- b. State three (3) basic assumptions of oligopolistic market (3 marks)

4. Short notes on
- a. Standardization of agricultural produce (4marks)
- b. Risk Bearing (3marks)
- c. Market Intelligence (3marks)

- 5a. What is Annual Budgetary Appraisal? (5marks)
- b. State the three parts of balance sheet (3marks)
- c. What is realization of revenue? (2marks)

6. Explain the following:
- a. Materiality Principle (4marks)
- b. Cost as Basis of Valuation (4marks)
- c. Duality Principle (2marks)

- 7a Explain what you understand by factor substitutions (2marks)
- b. Discuss the exchange functions of marketing (3marks)
- c. Outline the main causes that lead to monopoly (5marks)