



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF AGRICULTURAL SCIENCES,
DEPT. OF AGRICULTURAL ECONOMICS AND EXTENSION.
2023_1 POP EXAMINATION.**

Course Title: Farm Business Organization

Course Code: AEA310

Credit Unit: 3

Total Score: 70 Marks

Time Allowed: 3Hours

INSTRUCTION: Answer any four questions.

- 1 a.) Outline two (2) things you should have in mind designing a record keeping system. (2½ marks)
- . b) List the four types of farm records. (5 marks)
- c) Explain the following and their uses:
 - i) Farm inventory Records (6 marks)
 - ii) Labour Record (4 marks)
- 2 a. Describe how extension workers and researchers perceive farm management (7½ marks).
- b. State any four situations where cash flow statement is especially helpful (4marks).
- c. Outline the three indicators of solvency (6 marks).
- 3 a.) Identify the benefits for using the different farm resources (4 marks)
- b) State any eight (8) uses of Gross Margin analysis (8 marks)
- c) Explain what you understand by the term decision making (5½ Marks)
- 4 a) State five (5) strategic or long-term objective of commercial farming. (5 marks)
- b) Define and explain risk and uncertainty. (8 marks)
- c) What are the sources of risk in Agriculture? (4½ marks)
- 5 a). Differentiate clearly with relevant examples between farm enterprise and farm activity

(6 marks).

- b). Outline any five attributes of the farm manager (7½ marks).
- c) Explain the following measures of reducing risk in a farming enterprise. (4 marks)
 - i) Insurance
 - ii) Diversification-

6. a. How does the farm manager answer the question of what method of production to use

(5 marks).

- b. Enumerate any five steps required by an effective control system (7½ marks).
- c. State any five procedural steps involved in gross margin analysis (5 marks).