



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:** AEM451

**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).