



National Open University of Nigeria  
Faculty of Agricultural Sciences  
Department of Agricultural Economics and Extension  
**2024 I EXAMINATION**

Course Code: AEA 306:

Course Title: Farm Records and Accounting

Credit Unit: 2

Total Score: 70 Marks

Time Allowed: 2 Hours

Instruction: Answer question 1 (30 marks) and any other 2 questions (20 marks each)

- 1a. State the principle of the double entry system of bookkeeping. 3 marks
- 1b. List and explain 5 ratios which can be derived from a typical net worth statement to evaluate different aspects of an organization's financial health. 10 marks
- 1c. Outline four procedures for extracting a trial balance. 4 marks
- 1d. Enumerate the three purposes of trial balance. 3 marks
- 1e. List and explain five subsidiary books required in business are: 10 marks
  
- 2a. Define a subsidiary book. 2 marks
- 2b. Explain the roles of the principal books and subsidiary books in bookkeeping. 4 marks
- 2c. Outline any five uses of farm records. 5 marks
- 2d. List and explain three basic types of farm records. 9 marks
  
- 3a. Explain the term farm asset valuation. 2 marks
- 3b. List and explain the four methods of farm assets valuation. 8 marks
- 3c. State and explain three types of cash flows. 6 marks
- 3d. Explain two ways of constructing a trial balance. 4 marks
  
- 4a. Define a trial balance. 2 marks
- 4b. Enumerate the three purposes of trial balance. 3 marks
- 4c. Explain the ten steps to writing an income statement. 15 marks