



**NATIONAL OPEN UNIVERSITY OF NIGERIA FACULTY OF  
AGRICULTURAL SCIENCES EXAMINATION**

**2025\_2 EXAMINATIONS**

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**Programme: Agricultural Extension and Management**

**Course Title: Principles of Farm Management**

**Course Code: AEA308**

**Credit Unit: 2**

**Total Score: 70Marks**

**Time Allowed: 2Hours**

**INSTRUCTION:**

**Answer question one (1) Compulsory (30marks) and any other 2 questions (20marks each).**

1a. Define the following terms:

- i. Farm Assets
- ii. Liabilities in farm business
- iii. Current Capital Ratio (CCR)
- iv. Net worth or Net capital
- v. Net farm income (15marks)

b. Why do you think that increasing capital resources is the ultimate goal of any Farm Manager? Discuss five reasons. (15marks)

2a. i. Expatiate on Limited Liability Company (7marks)

ii. Mention the two (2) types of Limited Liability Companies. (3marks)

b. Explain any four (4) advantages of Limited Liability Company (10marks)

3a. Who is a farm manager? (2.5marks)

b. Explain the role of farm manager in the following areas of decision making:

a. Forecasting (3.5marks) b. Planning (3.5marks) c. Organizing (3.5marks) d.

Coordinating (3.5marks) e. Directing (3.5marks) (17.5marks)

4. Explain any five (5) different types of risk that affect farm management (20marks)