



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

2025_2 EXAMINATIONS

Programme: Agricultural Extension and Management

Course Title: Agricultural Risk Management

Course Code: AEA507

Credit Unit: 2

Total Score: 70Marks

Time Allowed: 2Hours

INSTRUCTION: Answer three (3) questions in all. Question one (1) is Compulsory and carries 30marks. All other questions carry 20marks each.

- 1a. State at least three (3) merits and demerits of self-insurance (6marks)
- b. Define normal risks (1.5mark)
- c. List and explain five natures of agricultural products in Nigeria. (22.5marks)

- 2a. Explain at least two (2) specific examples of Agricultural risk. (8marks)
- b. Explain briefly on the following categories of risks in agriculture:
 - (i) Catastrophic risk (ii) Idiosyncratic risk and (iii) systemic risk and (iv) output price risk (12marks).

- 3a. Elaborate on the term Liquidity (5marks).
- b. Discuss on the five (5) means of coping with agricultural risk in Nigeria. (15marks)

- 4a. Expatiate on the concept of the Nigeria Incentive-Based Risk Management System for Agricultural Lending (NIRSAL) (5marks)
- b. Explain the five pillars of the CBN invested money. (10marks)
- c. State the five (5) benefits of Nigeria Incentive-Based Risk Management System for Agricultural Lending (NIRSAL) that will accrue to farmers. (5marks)