

**NATIONAL OPEN UNIVERSITY OF NIGERIA**

**FACULTY OF AGRICULTURAL SCIENCES**

**SECOND SEMESTER EXAMINATION**

**JANUARY/FEBRUARY, 2018**

**Programme: Agricultural Extension and Management**

**Course Title: Agricultural Production Economics & Resource Management**

**Course Code: AEC 403**

**Credit Unit: 3**

**Total Score: 70 Marks**

**Time Allowed: 3 Hours**

**INSTRUCTION:**

**Answer Compulsory question 1 ( 30 marks) and any 4 questions (10 marks each).**

1. (a) Give a concise definition of agricultural economics and itemize six (6) areas of its specialization. **5 marks**

 (b) i. What do you understand by price mechanism? **2 marks**

ii. Explain three (3) limitations of the Price system in a perfect competitive market.

 **3 marks**

 (c) Differentiate between gross margin and farm profit.  **5 marks**

 (d) List five (5) major methods for valuing farm capital resources. **5 marks**

(e) Define the following economic concepts and relate them to both microeconomics and macro-economics: scarcity, resource, allocation, specialization and opportunity cost

 **5 marks**

(f) What are the five (5) basic roles of Prices in a Perfect Market **5 marks**

1. (a) Write short notes on the following analytical tools of production economics
2. Econometric method
3. Linear Algebra and its extension to linear programming **5 marks**

 (b) Define Production, and explain capital as a factor of production. **5 marks**

1. (a) Explain the concept of comparative advantage and its application to Nigeria. **5 marks**

(b) Brief discuss on Factor – Factor Relationship. **5 marks**

1. (a) Itemize the three (3) basic substitutions among inputs and products and explain one.

 **5 marks**

 (b) Explain the meaning of the following products relationships:

 - Complementary Products

 - Supplementary Products **5 marks**

1. (a) Discuss the relationship between Private and Social Costs. **5 marks**

(b) Explain revenue and list it types. **5 marks**

 6. (a) Discuss on depreciation and give its importance. **4 marks**

(b) What are the three (3) objectives of resources management. **6 marks**

 7. (a) Write on five (5) uses of linear programming. **5 marks**

(b) List five (5) assumption of linear programming. **5 marks**