



NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF AGRICULTURAL SCIENCES
FIRST SEMESTER EXAMINATION
OCTOBER/NOVEMBER, 2019

Programme: Agricultural Economics and Agribusiness

Course Title: Farm Records and Accounting

Course code: AEA 306

Credit Unit: 2

Time Allowed: 2 Hours

INSTRUCTION:

Answer Compulsory question 1 (25 marks) and any 3 questions (15 marks each).

Question 1

(a) Discuss the following measures of profitability:

- (i) Return on assets (ROA) 3 marks
- (ii) Return on Equity (ROE) 3 marks
- (iii) Farm Equity (average) 2 marks

b) Explain the following relationships on a typical networth statement:

- (i) Current ratio (Liquidity) 3marks
- (ii)Debt or Asset (Solvency) 3marks

(c) Define Balance Sheet 3 marks

(d) Explain 4 principles of record keeping 8marks

Question 2

(a) Explain the term depreciation 2marks

(b) Discuss the following depreciation terminologies

- (i) Original value 2marks
- (ii) Residual value 2 marks
- (iii) Life span of assets 2marks
- (iv) Obsolescence 2marks

(c) Using the Straight Line Method calculate the depreciation charge per annum on a machine costing N300,000 having a life span of 5 years with a break – off value of N10,000 at the end of its useful life. 5marks

Question 3

(a) Briefly explain the Double – Entry system of book keeping. 3 marks

(b) Give 6 objectives of the Double – Entry system of book keeping 12mks

Question 4

(a) Discuss the 3 basic types of farm record 15 marks

Question 5

(a) Discuss 4 different errors affecting the trial balance 12 marks

(b) Discuss briefly Profit and Loss Appropriation account 3 marks

Question 6

- (a) What is Farm Assets Valuation ? 3 marks
- (b) Discuss 4 methods of Farm Assets Valuation 12 marks