



**NATIONAL OPEN UNIVERSITY OF NIGERIA ABUJA**  
**UNIVERSITY VILLAGE, NNAMDI AZIKIWE EXPRESS WAY,**  
**PLOT 91, CADASTRAL ZONE, JABI ABUJA**  
**FACULTY OF AGRICULTURAL SCIENCES,**  
**DEPT. OF AGRICULTURAL ECONOMICS AND EXTENSION.**  
**POP EXAMINATION QUESTION, 2021 <sup>1245</sup>**

**Course Title:** Farm Business Organization

**Course Code:** AEA310

**Credit Unit:** 3

**Total Score:** 70 Marks

**Time Allowed:** 3Hours

**INSTRUCTION: Answer any four questions**

- 1.a) Explain the various methods of acquiring these farm resources: (10 marks)
    - i) Methods of acquiring land
    - ii) Methods of Acquiring labour
    - iii) Methods of acquiring capital
    - iv) Methods of Acquiring management
  
  - b) Discuss the four main groups of resources. (7½marks)
2. a) What is the meaning of Resources. (3½ marks)
    - b) What are the benefits for using the different farm resources (4 marks)
    - c) Identify any five (5) uses of Gross Margin analysis (10 marks)
  
  2. a). Discuss the following: (10½ marks)
    - i) Efficiency
    - ii) Physical measures
    - iii) Financial measures ‘
    - iv) Solvency
    - v) Networth
  
  - b) Explain what you understand by term decision making (7marks)
3. a) State any five (5) steps involved in decision making. (10 marks)
    - b) What are the relevancies of resource productivity? (4 marks)

c). Define Risk bearing ability (3½ **marks**)

4 a) Highlight the ways in which the gross margin per man-hour can be increased.

b) State eight (8) business objectives of a farm.

c) State four (4) strategic or long-term objective of commercial farming.

5. a) Define and explain risk and uncertainty.

b) What are the sources of risk in Agriculture?

c) State four (4) practices for enhancing good farm management and minimizing risk.