



**NATIONAL OPEN UNIVERSITY OF NIGERIA  
FACULTY OF AGRICULTURAL SCIENCES  
DEPARTMENT OF AGRICULTURAL ECONOMICS AND EXTENSION  
FIRST SEMESTER POP EXAMINATION 2021 ACADEMIC SESSION**

**Programme: Agricultural Extension and Management**

**Course Code: AEM 450**

**Course Title: Agricultural Finance and Marketing**

**Credit Unit: 3**

**Total Score: 70 Marks**

**Time Allowed: 3 Hours**

**Instruction: Answer any four (4) Questions (70marks)**

1a. Using **seven (7)** reasons, explain the meaning of agricultural finance and why it is important to study agricultural finance (**7marks**)

b. Outline **seven (7)** basic assumptions of monopolistic competition (**7marks**)

c. Explain the meaning of market intelligence (**5marks**)

2a. Identify five (5) basic determinants of the elasticity of demand of a commodity with respect to its own price (**5marks**)

b. Enumerate **five (5)** main variables that may lead to monopoly in the market (**5marks**)

c. Outline the **seven (7)** basic assumptions of perfect competition (**7marks**)

3a. Outline and discuss the **four (4)** components of physical marketing functions (**12marks**)

b. What you understand by break-even budgeting? (**5marks**)

4a. State **seven (7)** basic principles of farm accounting (**7marks**)

b. Write short notes on the following

i. Promissory Note (**5marks**)

ii. Oligopoly (**5marks**)

5a. The major sources of credit can be classified into institutional or formal and non-institutional sources. Establish **and** discuss the **institutional or formal sources of finance** known to you (**10marks**).

b. Identify and explain the types of mortgages (**7marks**)