



**NATIONAL OPEN UNIVERSITY OF NIGERIA**

*University Village, Nnamdi Azikiwe Expressway, Plot 91, Cadastral Zone, Jabi, Abuja*

**Faculty of Agricultural Sciences, Dept. of Agricultural Economics and Extension,**

*PoP Examination Questions, September 2020*

**COURSE CODE:** AEM451  
**COURSE TITLE:** Farm Business Organisation  
**Credit Unit:** 3  
**Total Score:** 70 marks  
**INSTRUCTION:** Answer compulsory question 1 (30 marks) and any four questions (10 marks each).  
**Time Allowed:** 2 ½ hours.

- 1a. Describe any five logical steps involved in farm decision making (10 marks).
  - b. State the basic principle of farm management (5 marks).
  - c. Describe any five factors to be considered before selecting a farm (5 marks)
  - d. Explain the concept of planning in farm management (5 marks).
  - e. Mention any five importance of complete budgeting (5 marks).
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- 2a. Discuss any two classes of farm assets, giving at least two examples of each (5 marks).
  - b. Outline any five uses of gross margin analysis (5 marks).
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- 3a. Write a comprehensive note on net farm income (5 marks).
  - b. Describe any five conditions under which cash flow statement is most useful (5 marks).
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- 4a. Explain the four indicators of liquidity (6 marks).
  - b. Define return on equity and state its mathematical relationship (4 marks).
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- 5a. Explain what you understand by management as a factor of production (5 marks).
  - b. List any five relevance of resource productivity (5 marks).
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- 6a. Describe any four sources of risk in agricultural production (6 marks).
  - b. Given:  $TVC = ₦120,000$  and  $GR = ₦363,000$ ; calculate the value of gross margin (5 marks).
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- 7a. Enumerate any five uses of farm records (5 marks).
  - b. Outline any five ways to increase gross margin per man- hour of labour (5 marks).