



**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, September 2020\_1*

**Course Title: Farm Management**

**Course Code: AEM753**

**Total Score: 70 Marks**

**Credit Unit: 2**

**Time Allowed: 2 ½ Hours**

**INSTRUCTION:**

**Answer compulsory question 1 (25 marks) and any other 3 questions (15 marks each).**

**QUESTION ONE**

- a. Define Economics (3 mks)
- b. What is Agricultural Economics? (3 mks)
- c. The importance of keeping farm records cannot be over emphasized. Describe FOUR advantages of keeping farm records in farm organization (6 mks)
- d. Write short note on how the concept of opportunity cost operates in our farms (4 mks)
- e. Explain the declining balance method of asset depreciation (3 mks)
- f. Using the declining balance method of asset depreciation, calculate the depreciation value of an asset whose cost was ₦65,000 and depreciated at 20% for 6 years(6 mks)

**QUESTION TWO**

- a. Define the term profit (3 mks)
- b. Advance TWO reasons why farm management is termed as Jack of all trade (4 mks)
- c. Define demand and supply (5 mks)
- d. What do you understand as equilibrium price (3 mks)

**QUESTION THREE**

- a. What are liabilities in the farm (3 mks)
- b. Enumerate and explain the types of liabilities that occur in the farm (4 mks)
- c. Define the Asset to Debt Ratio. How is the ratio used to judge or assess the farm or investment (4 mks)
- d. Enumerate FOUR areas or items management makes decisions on (4 mks)

**QUESTION FOUR**

- a. Mention THREE effects of price fluctuations on farmers (3 mks)
- b. The Participatory Rural Appraisal is a data gathering method. Briefly discuss this method (4 mks)
- c. Management carries out functions to produce desired output. Itemize and discuss FOUR of the functions carried out. (8 mks)

**QUESTION FIVE**

- a. Define resources (3 mks)
- b. List and explain the principal or major resources used in the farm (6 mks)
- c. A good manager is judged by certain characteristics. Mention SIX of these characteristics (6 mks)

**QUESTION SIX**

- a. Differentiate between fixed and variable cost incurred in asset acquisition (3 mks)
- b. Using your knowledge about agriculture, supply THREE reasons why agricultural products fluctuate more than industrial products (6 mks)
- c. Write short notes on Leadership, Motivation and Communication as a tool to successful managerial performance (6 mks)