



NATIONAL OPEN UNIVERSITY OF NIGERIA
University Village, 91 Cadastral Zone, Nnamdi Azikwe Expressway, Jabi, Abuja
FACULTY OF AGRICULTURAL SCIENCES
SEPTEMBER 2020_1 EXAMINATION

Course Title: Principles of Farm Management

Course Code: AEA 308

Credit Unit: 2

Total Score: 70Marks

Time Allowed: 2Hours

INSTRUCTION: Answer question one (1) Compulsory (25marks) and any other three (3) questions (15marks each).

- 1a. i. What do you understand by Decision Making? (1.5mark).
ii. Discuss in a sequential order the seven essential steps that must be followed when making decision in Farm Management. (10.5marks).
 - b. i. What is Farm Management? (2marks)
ii. Elaborate on the scope of farm management. (6marks)
 - c. Highlight the five characteristics of capital. (5marks)
- 2a. Distinguish between Risk and Uncertainty. (5marks)
- b. Explain any five different types of risk that affect farm management. (10marks)
3. Define the following terms:
- i. The law of diminishing returns
 - ii. Principle of substitution
 - iii. Opportunity Cost
 - iv. Diversification and
 - v. Specialization. (15marks).
4. Elaborate any ten (10) general principles of farm management. (15marks)
- 5a. Explain briefly Overhead cost. (5marks).
- b. If as a result of increasing the output of cowpea from 10kg to 20kg the total cost of production increased from ₦250 to ₦300. Calculate the marginal cost of production. (10marks).
- 6a. What is Sole proprietorship and why is it a popular form of business ownership among the Nigerian farmers? (5marks).
- b. Briefly discuss on any five (5) main features of sole proprietorship. (10marks)