



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF AGRICULTURAL SCIENCES
DEPARTMENT OF AGRICULTURAL ECONOMICS AND EXTENSION
FIRST SEMESTER POP EXAMINATION 2021_1 ¹²³⁴**

Programme: Agricultural Extension and Management

Course Code: AEA 302

Course Title: Agricultural Finance

Credit Unit: 3

Total Score: 70 Marks

Time Allowed: 3 Hours

Instruction: Answer four (4) Questions only (70marks)

- 1a. Explain the meaning of agricultural finance? Present your views using four (4) instances (4marks)
- b. Why do you think that farmers actually need credit to carry out their day-to-day activities? Support your claim with five (5) reasons (10marks).
- c. State five (5) advantages of efficient credit programme (5mark).

- 2a. Suggest 10 reasons why you consider credit an important variable in facilitating agricultural development (10marks)
- b. Identify and explain two aspects of financial management (7marks)

- 3a. Using five (5) examples, justify the meaning of opportunity cost (5marks).
- b. Highlight the usefulness and drawbacks of opportunity cost with respect to agricultural finance. Provide in each case six (6) evidences (12marks).

- 4a. State 10 importance of economic principles to farm financial management (10marks)
- b. Identify 7 causes of loan delinquencies in Nigeria (7marks)

- 5a. Give 10 reasons why it is necessary to financial intermediaries in agricultural financing (10marks)?
- b. Suggest seven causes of loan diversion in agricultural production in Nigeria (7marks)