

**NATIONAL OPEN UNIVERSITY OF NIGERIA**

**FACULTY OF AGRICULTURAL SCIENCES**

**DEPARTMENT OF AGRICULTURAL ECONOMICS AND EXTENSION**

 **FIRST SEMESTER EXAMINATION, 2019**

**Programme: Agricultural Extension and Management**

**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).**

1. a i. What is the relationship between Agriculture and Agricultural Economics as a discipline? (4

 marks)

 ii. What is farm Management? (2 marks)

 iii. Distinguish between a Business and an Enterprise (4 marks)

 b. Explain briefly any five (5) general principles of farm management (15 marks)

2a. Distinguish between risk and uncertainty (5marks)

 b. Explain any five different types of risk that affect farm management (10marks)

3. If as a result of increasing the output of cowpea from 10kg to 20kg, the total cost of production

 increased from ₦250 to ₦300.

1. Calculate the marginal cost of production (10 marks).
2. What is the implication of the marginal cost of production calculated? (5 marks)

4a. List and explain any four (4) major characteristics of Nigerian agriculture. (12 marks)

1. Explain three (3) ways of how Nigeria’s agriculture can be improved (3 marks)

5a. Highlight the five characteristics of capital (5marks)

 b. List and explain any five classes of capital (10marks).

6 a i .What is Sole proprietorship (2 mks)

 a ii. Why is sole proprietorship a popular form of business ownership among the Nigerian farmers? (3marks).

 b. Briefly discuss on any five main features of sole proprietorship. (10marks)