



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, 2021 Academic Session¹⁵⁶⁷⁸

Course Title: Farm Records and Accounting

Course Code: AEC306

Credit Unit: 2 Units

Total Score: 70 Marks

Time Allowed: 2 Hrs

INSTRUCTION: Answer any 3 questions.

QUESTION ONE

- Mention and discuss briefly three (3) financial analysis tools that can be used when accurate and complete farm records are available (10 Marks).
- Give four (4) groups of software for farm record keeping with an example in each group (4 Marks)
- Explain briefly farm assets valuation and its four (4) methods (10 Marks)

QUESTION TWO

- A farm machine cost N150,000.00 and the rate of depreciation for it is 20% per annum using reducing balance method you are required to calculate the depreciation charge on the machine for 5 years (10 Marks)
- State five (5) areas where farm-specific programmes can be considered for farm business decisions (5 Marks)
- State two (2) advantages and three (3) disadvantages of declining balance method of computing depreciation of farm machines (5 Marks)
- Explain briefly bad debt and mention three (3) circumstances that can lead to bad debt (3 Marks)

QUESTION THREE

- Briefly explain the two (2) ways in which a trial balance can be constructed (10 Marks)
- Explain briefly what you understand by recovered bad debts and state its book keeping entries (10 Marks)
- What is the objective of the profit and loss appropriation account (3 Marks)

QUESTION FOUR

- Describe the accounting entry when no separate provision for bad debts is maintained (5 Marks)
- State five (5) errors affecting the trial balance in farm accounting (5 Marks)
- Explain briefly the following terms used in depreciation account:
 - Original value
 - Residual value

- iii. Obsolescence
- iv. Life span of assets (6 Marks)
- d. State six (6) methods of computing depreciation of farm assets (3 Marks).
- e. Briefly explain the two (2) main methods of calculating depreciation of farm assets commonly used (4 Marks).