



NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF AGRICULTURAL SCIENCES
DEPARTMENT OF AGRICULTURAL ECONOMICS AND EXTENSION
PoP EXAMINATION SEPTEMBER/OCTOBER, 2019

Programme: Agricultural Extension and Management

Course Code: AEC 306

Course Title: Farm Records and Account

Credit Unit: 2

Total Score: 70 Marks

Time Allowed: 2 Hours

Instruction: Answer compulsory question one (1) (25 marks) and any other three (3)

Questions (15marks each)

1a. A machine cost ₦100,000 and the rate of Depreciation for its use is 20% per annum. Calculate the Depreciation charge on the machine for 4years using the reducing balance method **(10marks)**

b. The accounting year of Ajewole and Sons Enterprises runs from January to December every year. During the three years ended 31st December 2004, 2005 and 2006, the following debt were found to be irrecoverable and were subsequently written off to bad debt account on the stated dates below:

	₦
28 th February 2004 T.Taiwo	10,000
31 st May, 2004 K. Kehinde	25,000
30 th November, 2004 I. Idowu	15,000
31 st January, 2005 A. Alaba	30,000
31 st July, 2005 O.Ojo	5,000
31 st August, 2006 Y.Yemisi	8,000
1 st December, 2006 K. Kokumo	9,000

On 31st December, 2004, 2005 and 2006, the outstanding figure for total debtors from sales ledger account was ₦600,000, ₦800,000 and ₦500,000 respectively. It is the company's policy to make 5% provision for doubtful debts at the end of the years.

You are required to prepare for the years 2004 to 2006.

i. Bad debt accounts with provision inclusive **(4marks)**

ii. Profit and loss account (extracts) **(11marks)**

2. Farm record keeping is more than just keeping track of what crop was planted in what field, it is a concept applicable to the entire farm operation. Therefore;

a. Describe eight (8) characteristics of **Resource Inventory Record (8 mks)**

b. Describe seven (7) **Production Account** as a type of Farm Record **(7 mks)**.

3. You have been appointed as an extension personnel in your area; state ten (10) ways you can use your position to ensure that farm record keeping by farmers in the area is improved? **(15marks)**

4. The decision to accept a computer program (system) as the best for a farm business is a function of **the farm specific program** and the **cash – based or generic program**.

Analyse the factors of consideration in where these two basic decision making factors are

concerned with respect to best program (system) to use in a farm business **(15marks)**.

- 5a. To prepare the profit and Loss Account and a balance sheet from single entry book-keeping, there are certain recommended procedure. Advance **five (5)** of these procedures. **(7¹/₂ marks)**.
- b. The double entry system of bookkeeping is one whereby two (2) entries are made for every transaction. In preparing the double entry system of book keeping certain specified objectives are to be considered. State **five (5)** of these objectives. **(7¹/₂ marks)**.
6. Subsidiary books are the records of transactions entered in separate books, mainly for the purpose of listing and classifying the various transactions as they occur and to avoid the risk of errors and omissions of direct entries in the ledger. Discuss any five (5) of the subsidiary books required in any farm business **(15marks)**.