

**NATIONAL OPEN UNIVERSITY OF NIGERIA**

**FACULTY OF AGRICULTURAL SCIENCES**

**SECOND SEMESTER EXAMINATION**

**JANUARY/FEBRUARY, 2018**

**Programme: Agricultural Extension and Management**

**Course Title: Agricultural Production Economics& Resource Management**

**Course Code: AEC403**

**Credit Unit: 3**

**Total Score: 70 Marks**

**Time Allowed: 3Hours**

**INSTRUCTION:**

**Answer Compulsory question 1 ( 30 marks) and any 4 questions (10marks each).**

1. (a) Give a concise definition of agricultural economics anditemize six (6) areas of its specialization.**5 marks**

(b) i. What do you understand by price mechanism?**2 marks**

ii. Explain three (3) limitations of the Price system in a perfect competitive market.

**3 marks**

(c) Differentiate between gross margin and farm profit. **5 marks**

(d) List five (5) major methods for valuing farm capital resources. **5 marks**

(e) Define the following economic concepts and relate them to both microeconomics and macro-economics: scarcity, resource, allocation, specialization and opportunity cost

**5 marks**

(f) What are the five (5)basic roles of Prices in a Perfect Market**5 marks**

1. (a) Write short notes on the following analytical tools of production economics
2. Econometric method
3. Linear Algebra and its extension to linear programming**5 marks**

(b) Define Production, and explain capital as a factor of production.**5 marks**

1. (a) Explain the concept of comparative advantage and its application to Nigeria.**5 marks**

(b)Brief discuss on Factor – Factor Relationship. **5 marks**

1. (a)Itemize the three (3) basic substitutions among inputsand products and explain one.

**5 marks**

(b) Explain the meaning of the following products relationships:

- Complementary Products

- Supplementary Products **5 marks**

1. (a) Discuss the relationship between Private and Social Costs.**5 marks**

(b) Explain revenue and list it types.**5 marks**

6. (a) Discuss on depreciation and give its importance.**4marks**

(b)What are the three (3) objectives of resources management. **6 marks**

7. (a) Write on five (5) uses of linear programming. **5 marks**

(b) List five (5) assumption of linear programming. **5 marks**