

**NATIONAL OPEN UNIVERSITY OF NIGERIA**

**FACULTY OF AGRICULTURAL SCIENCES**

**FIRST SEMESTER EXAMINATION**

**November/December, 2018**

**Programme: Extension and Management**

**Course Title: Agricultural Production Economics and Resources Management**

**Course code: AEC403**

**Credit Unit: 3**

**Time Allowed: 3Hours**

**INSTRUCTION: Answer compulsory question 1 (30marks) and any 4 questions (10 marks each).**

**Question 1. (Compulsory)**

1. State the importance of depreciation 4marks
2. Describe the Isocline or expansion path in a factor – factor relationship

2marks

1. Discuss the limitations of a price system in a competitive market. 6 marks.
2. Discuss the relationships in production function 6marks
3. Formulate a production function of one variable input and Three fixed inputs. 4 marks
4. Differentiate between technical efficiency and economic efficiency.4marks

**(g)** Discuss Four usefulness of linear programming. 4 marks

**Question 2**

1. What is a production function? 2 marks
2. Describe an Isoquant? 4 marks
3. Explain the objective of resources management. 4 marks

**Question 3**

1. Explain briefly the following laws in production:
2. Law of diminishing marginal returns. 2 marks
3. Principles of maximum profit. 2 marks
4. Principles of limited resources (Equi – marginal principles) 2 marks
5. Distinguish between the short – run period and long – run period in production. 4 marks

**Question 4**

1. Define Agricultural Economics? 2marks
2. Differentiate between Average revenue and Marginal revenue. 4marks
3. Give the differences between microeconomics and macroeconomics.
4. marks

**Question 5.**

1. Mention Four roles of prices in a perfect market. 4marks
2. With examples explain variable factors and fixed factors of production. 6marks

**Question 6.**

1. **D**iscuss Four assumptions of linear programming 4 marks
2. Discuss Four methods of valuing farm capital resources 6 marks

**Question 7.**

1. Explain briefly what price system as it relates to efficiency and price mechanism in a competitive market.
2. Discuss how you can determine the point of maximum profit in a factor – factor relationship? 6 marks