



NATIONAL OPEN UNIVERSITY OF NIGERIA

FACULTY OF AGRICULTURAL SCIENCES

DEPARTMENT OF AGRICULTURAL ECONOMICS AND EXTENSION

2020_2 EXAMINATION ...

Programme: Agricultural Economics and Agribusiness

Course Title: Agricultural Production Economics and Resources Management

Course code: AEM403

Credit Unit: 3

Time Allowed: 2 ½ Hours

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

Question 1

- a. Define the term production. (2 marks)
- b. State five roles of the price system in a perfect market. (5 marks)
- c. Give five characteristics of a peasant Agriculture. (5 marks)
- d. With example explain the concept of comparative advantage. (5 marks)
- e. Explain linear programming. (4 marks)
- f. Outline four concerns of microeconomics. (4 marks)
- g. Explain cost. (5 marks)

Question 2.

- a. List and explain two types of resources. (4 marks)
- b. Mention and explain the three types of product substitution. (6 marks)

Question 3.

- a. Explain with examples the following:
 - (i) Total cost (2 marks)
 - (ii) Total variable cost (2 marks)
- b. Discuss three limitations of the price system in a perfectly competitive market. (6 marks)

Question 4.

- a. State four steps in linear programming problems. (4 marks)
- b. Briefly explain the following production indices/ measures:
 - (i) Total Physical Product (TPP). (2 marks)
 - (ii) Average Physical Product (APP). (2 marks)
 - (iii) Marginal Physical Product (MPP). (2 marks)

Question 5.

- a. Discuss two properties of an Isoquant. (2 marks)
- b. State two characteristics each of the following factors of production:
 - (i) Land (2 marks)
 - (ii) Labour (2 marks)
 - (iii) Capital (2 marks)
 - (iv) Entrepreneur (2 marks)

Question 6.

- a. Discuss the production function (4 marks)
- b. Briefly discuss the following economic terms:
 - (i) Opportunity cost (2 marks)
 - (ii) Scarcity (2 marks)
 - (iii) Choice (2 marks)

Question 7.

- a. Explain the term valuation of resources. (2 marks)
- b. Discuss four methods of valuation. (8 marks)