



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF AGRICULTURAL SCIENCES
SECOND SEMESTER EXAMINATION
OCTOBER/NOVEMBER, 2019**

Programme: Agricultural Extension and Management

Course Title: Agricultural Production Economics and Resources Management

Course code: AEM 403

Credit Unit: 3

Time Allowed: 3 Hours

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

Question 1. (Compulsory)

- (a) i. What is depreciation? 1mark
- ii. State the importance of depreciation 3marks
- (b) Describe an Isocline or Expansion path in a factor – factor relationship 2marks
- (c) Discuss the limitations of a price system in a competitive market. 6 marks.
- (d) Discuss the relationships in production function 6marks
- (e) Formulate a production function of one variable input and three fixed inputs. 4 marks
- (f) Differentiate between technical efficiency and economic efficiency. 4marks
- (g) Discuss Four usefulness of linear programming. 4 marks

Question 2

- (a) What is a production function? 3marks
- (b) Describe an Isoquant? 4 marks
- (c) Explain the objective of resources management. 3marks

Question 3

- (a) Explain briefly the following laws in production:
 - i. Law of diminishing marginal returns 2marks
 - ii. Principles of Maximum Profit 2marks
 - iii Principle of Limited Resources (Equi-marginal Principles) 2marks
- Distinguish between the short – run period and long – run period in production. 4 marks

Question 4

- (a) Define Agricultural Economics? 2marks
- (b) Differentiate between Average revenue and Marginal revenue. 4marks
- (c) Discuss microeconomics and macroeconomics principles 4marks

Question 5.

- (a) Describe four (4) roles of prices in a perfect market. 4marks
- (b) Discuss with examples variable factors and fixed factors of production. 6marks

Question 6.

- (a) State four (4) assumptions of linear programming 4 marks
- (b) Discuss Four methods of valuing farm capital resources 6 marks

Question 7.

- (a) Write short notes on price system as it relates to:
 - i. Efficiency 3marks
 - ii. Price mechanism in a competitive market 3marks
- (b) Discuss how you can determine the point of maximum profit in a factor – factor relationship?
4 marks