



NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF AGRICULTURAL SCIENCES
DEPARTMENT OF AGRICULTURAL ECONOMICS AND EXTENSION
FIRST SEMESTER POP EXAMINATION 2021_ 45678

Programme: Agricultural Extension and Management

Course Code: AEM 450

Course Title: Agricultural Finance and Marketing

Credit Unit: 3

Total Score: 70 Marks

Time Allowed: 3 Hours

Instruction: Answer any four (4) Questions (70marks)

1. Under commercial agriculture, the need to keep written records and accounts is paramount because farm business operation are undertaken with the aim of profit maximization since a wide range of resources are traded in the market. Analyze this statement and suggest while it necessary to have accurate farm record using the following as a benchmark.

- a. Farm management decision making **(6marks)**
- b. Performance evaluation **(6marks)**
- c. Credit purpose **(6marks)**

2. Write short notes on the following

- a. Farm Receipt Records **(5marks)**
- b. Inventory Records Inventory Records **(9marks)**
- c. Production Records **(5marks)**

3. Provide an explanation to why you think that the following market conditions may exists.

- a. Perfect Competition **(6marks)**
- b. Monopoly **(5marks)**
- c. Monopolistic Competition **(6marks)**

4a. Partial budgeting analysis looks at the changes that occur in costs as a result of a (marginal) change in the farm plan. Identify and explain the three main changes that may occur in farm plan **(10marks)**.

b. Why do you think that marketing is important in agribusiness sector? Support your claim or point of view with **seven (7)** reasons.

5a. Using **ten (10)** points establish the relationship between market and marketing **(10marks)**

- b. List **three (3)** determinants of demand **(3marks)**.
- c. Explain the meaning of market intelligence **(4marks)**.