

**NATIONAL OPEN UNIVERSITY OF NIGERIA**

**FACULTY OF AGRICULTURAL SCIENCES DEPARTMENT OF AGRICULTURAL ECONOMICS AND EXTENSION**

**FIRST SEMESTER 2019 EXAMINATION**

**Programme: Agricultural Extension and Management**

**Course Code: AEM450**

**Course Title: Agricultural Finance and Marketing**

**Credit Unit: 3**

**Total Score: 70 Marks**

**Time Allowed: 3 Hours**

**Instruction: Answer compulsory question one (30 marks) and any other four (4) Questions (10 questions each = 40 marks)**

1ai. What is agricultural finance **(3 marks)**

 aii. Why is the study of agricultural finance important? **(10marks)**

 b. List and explain the various governmental or institutional sources of finance to a farmer in

 your area **(12marks)**

 c. Identify five types of price elasticity of supply you have studied **(5marks).**

2a. Briefly discuss major determinants of price elasticity of demand. **(5 marks)**

 b. Briefly discuss the major determinants of income elasticity. **(3 marks)**

 c. State the law of demand. **(2 marks)**

3a.Why is marketing an important component in agricultural business? **(7 marks)**

 b. State three (3) basic assumptions of oligopolistic market **(3 marks)**

4. Short notes on

 a. Standardization of agricultural produce **(4marks)**

 b. Risk Bearing **(3marks)**

 c. Market Intelligence **(3marks)**

5a. What is Annual Budgetary Appraisal? **(5marks)**

 b. State thethree parts of balance sheet **(3marks)**

 c.What is realization of revenue? **(2marks)**

6. Explain the following:

 a. Materiality Principle **(4marks)**

 b. Cost as Basis of Valuation **(4marks)**

 c. Duality Principle **(2marks)**

7a Explain what you understand by factor substitutions **(2marks)**

 b. Discuss the exchange functions of marketing **(3marks)**

 c. Outline the main causes that lead to monopoly **(5marks)**