

**NATIONAL OPEN UNIVERSITY OF NIGERIA**

**FACULTY OF AGRICULTURAL SCIENCES**

**SECOND SEMESTER 2018 EXAMINATION**

**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 question one (1) and any other four (4) Questions**

1. Explain fully the meaning of inventory records **(30marks).**

2a. Why is credit important in farm business? **(3marks).**

 b. Write short notes on the following

 i. Amortisation(1mark).

 ii Non-amortised loan (1marks).

 iii. Partially amortised loan (1mark).

 iv. Flexible or Variable Payment (1marks).

 v. Income-Indexed variable payment plan (2marks).

 vi. Graduate-loan amortisation plan(1marks).

3. Short note on the following

 a. Break-even Budgeting **(4marks).**

 b. Factor Substitutions **(4marks).**

 c. Product Substitution **(2marks).**

4. Discuss vividly the physical functions performed by marketing **(10marks)**

5. Briefly discuss these credit instruments involved in the extension of agricultural credit.

 a.Promissory Note **(5marks)**

 b.Mortgages **(5marks)**

6. Why is performance evaluation important in farm management decision making **(10marks)?**

7. Write short notes on:

 a. Profit and Loss Account **(5marks)**

 b. Balance Sheet **(5marks)**