

**NATIONAL OPEN UNIVERSITY OF NIGERIA**

**FACULTY OF AGRICULTURAL SCIENCES**

**DEPARTMENT OF AGRICULTURAL ECONOMICS AND EXTENSION**

**PoP EXAMINATION OCTOBER/NOVEMBER, 2019**

**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 compulsory question one (1) (30 marks) and any other four (4) Questions (10marks each)**

1a. In a market where Cowbell milk and Peak milk are sold and each of these goods is considered as

necessity goods, **what** will happen if;

i.Thereis an increase in the price of the two commodities?**(2marks)**

ii. There is an increase in the prices of cowbell milk?**(2marks)**

iii. There is increase in the income of the consumers?**(2marks)**

iv.Producers of peak milk introduce attractive and efficient advertisement?**(2marks)**

v. Producers introduce newness and taste into cowbell milk?**(2marks)**

b. Assess **five (5)** basic determinants of the elasticity of demand of a commodity with respect to its

own price **(5marks)**

c. Discuss the **five (5)** main causes that lead to market monopoly**(5marks)**

d. Provide **five (5)** basic assumptions each of monopolistic competition and perfect competition

markets**(10marks)**

2. The major sources of credit can be classified into institutional or formal and non-institutional

Sources;

a. Mention any four (4) non-institutional sources of finance available to the farmers (4 mks)

b. Discuss any **four (4)**of the non-institutional sources of finance mentioned above (in 2a) (1**0mks)**.

3. Expatiate using **ten (10)** instances, how agricultural finance can improve agricultural production in

Nigeria**(10marks)**

4. a. Define agricultural finance (1 mark)

b. Enumerate six (6) methods of loan repayment (3 mks)

c. Express in detail, the six (6) methods of loan repayment mentioned in 4b above (6 mks)

5. Appraisethe importance of accurate and valid records with respect to:

a. Farm management decision making**(5marks)** and

b. Performance evaluation**(5marks)**

6.Analyse using **ten (10)** instances,how marketing and markets could besignificant or important in

economic and national development**(10marks)**

7. Marketing involves all those legal, physical and economic services which are necessary to make

products from the farm available to the consumers and provides utility.

a. What do you understand as facilitating functions of marketing? (2 mks)

b. Identify**four (4)** of the facilitating functions of marketing**(8 marks)**