



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**FACULTY OF AGRICULTURAL SCIENCES**  
**DEPARTMENT OF AGRICULTURAL ECONOMICS AND EXTENSION**  
**2020\_2 EXAMINATION**

**Course Code:** AEM 451  
**Course Title:** Farm Business Organisation  
**Credit Unit:** 3  
**Exam Question :** POP 2020\_2  
**Total Score:** 70 Marks  
**Instruction:** Answer compulsory question 1 (30 marks) and any other 4 questions (10 marks each).  
**Time Allowed:** 2 ½ Hours.

- 1a. Describe the various perspectives of farm management (10 marks).
  - b. State any five procedural steps for gross margin analysis (5 marks).
  - c. Management is applied in various ways to realise the objectives of a farm business. Discuss (5 marks).
  - d. Explain any five measures for reducing risk in farm business (5 marks).
  - e. Calculate and interpret the networth of a farm business whose total assets and liabilities are estimated at 64,000.00 and 86,000.00 respectively (5 marks).
- 2a. What are the objectives of farm management (6 marks).
- b. Outline four major functions of a farm manager (4 marks).
- 3a. Mention any five advantages of budgeting in farm business (5 marks).
- b. Outline five animal production records (5 marks).
- 4a. Write short notes on the three classes of liabilities (6 marks).
- b. State four importance of cash flow statement (4 marks).
- 5a. Critically examine the relevance of resource productivity (6 marks).
- b. Differentiate clearly between liquidity and solvency (4 marks).
- 6a. Enumerate the steps involved in decision making (6 marks).
- b. State any four sources of risk in agriculture; giving relevant examples of each (4 marks).
- 7a. State any five attributes of a farm manager (5 marks).
- b. Differentiate between an enterprise and an activity (5 marks).