  **NATIONAL OPEN UNIVERSITY OF NIGERIA**

**FACULTY OF AGRICULTURAL SCIENCES**

**DEPARTMENT OF AGRICULTURAL ECONOMICS AND EXTENSION**

**FIRST SEMESTER EXAMINATION, APRIL/MAY, 2019**

**Programme: Agricultural Extension and Management**

**Course Title: Agricultural Business Management**

**Course code: AEM509**

**Credit Unit: 3**

**Time Allowed: 3 Hours**

**INSTRUCTION: Answer Compulsory question 1 (30 marks) and any 4 questions (10 marks each)**

**Question 1**

1 (a) Define Agribusiness? **3 marks**

(b) Mention and discuss the 3 independent sectors of agribusiness. **9 marks**

(c) Explain 3 characteristics that must be observed before taking farm management decisions? **6 marks**

(d) In deciding whether to organize an individual proprietorship, a partnership, or a corporation, what

are Six basic factors that should be taken into consideration? **6 marks**

(e) Explain Six functions of Corporate Affairs Commission (CAC). **6 marks**

**Question 2**

**(a)** Discuss the following management functions: 6 marks

1. Controlling function
2. Coordinating function
3. Directing function

(b) State four advantages of partnership 4 marks

**Question 3.**

1. Define an agricultural enterprise 4 marks
2. Explain the following cost used in agribusiness?

(i) Total Cost (TC) 3 marks

(ii) Marginal Cost 3 marks

**Question 4**

(a) Explain the meaning of an Agricultural policy 2 marks

(b) Give 4 importance of Agricultural policy? 4 marks

(c) Mention 4 strategies adopted to achieve successful implementation of specific objectives of agricultural research in Nigeria. 4 marks

**Question 5**

(a) State 3 reasons for the establishment of micro-finance banks in Nigeria. 6 marks

(b) Outline 4 policy objectives of rural development in Nigeria. 4marks

**Question 6**

Describe the following types of Business Organizations under the Companies and Allied Matters Commission:

(a) Company limited by shares 2 marks

(b) Company limited by guarantee 4 marks

(c) Unlimited Company 4 marks

**Question 7**

(a) List 6 taxes payable to the Federal government of Nigeria 6 marks

(b) Explain opportunity cost principles 4 marks