



NATIONAL OPEN UNIVERSITY OF NIGERIA  
Plot 91, Cadastral Zone, Nnamdi Azikiwe Expressway, Jabi, Abuja  
Faculty agricultural Sciences  
October/November, 2016

**Department: Agricultural Economics and Extension**

**Course Title: Principles of Farm Management**

**Course Code: AEC 308**

**Credit Unit: 2**

**Total Score: 100 Marks**

**Time Allowed: 2Hours**

**INSTRUCTION: Answer any four (4) questions. All questions carry equal marks.**

1 a. Define the following

- i. Agriculture ii. Agricultural Economics iii. Farm Management iv Decision Making v. Uncertainty vi. Risk vii. The Principles of Substitution viii. Cost ix. Farm Records x. Farm Accounts 10 marks

1 b. State the law of diminishing 5 marks

1 c. State five (5) Process of Decision Making 10 marks

2a. Distinguish between Diversification and Specialisation 10 marks

2b. Enumerate five type of costs involved in agricultural production 5 marks

2c. Briefly explain the Scope of farm management 10 marks

3. Write short but concise notes on the following

- a. Marginal Cost 5 marks  
b. The Scalar Chain 5 marks  
c. Characteristics of capital 5 marks  
d. Limited or Sleeping Partners 5 marks  
e. Overhead (Fixed) Costs 5 marks

4a. What is the implication of cost of a farmer? 7 marks

4b. Explain the three types of labour and give three example of each category 18 marks

5. List and discuss five (5) types of capital used in agriculture. 25 marks

6a. Enumerate the characteristics of Cooperative Societies 20 marks

6b. Give five (5) advantages of keeping farm records and accounts 5 marks