



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**14-16 AHMADU BELLO WAY, VICTORIA ISLAND LAGOS**  
**MARCH/APRIL 2016 EXAMINATION**  
**SCHOOL OF AGRICULTURAL SCIENCES**

**AEM753**

**INSTRUCTION:**

**FARM MANAGEMENT**

**ANSWER 4 QUESTIONS ONLY**

**ALL QUESTIONS CARRY EQUAL MARKS (25 MARKS)**

**TIME ALLOWED:**

**TIME: 2 HOURS**

- 1a. Explain briefly the types of enterprises you know and give two examples of each
- 1b. State the law of demand and supply
- 2a. Define the following and give their formula
- a. Marginal Cost
  - b. Average Total Cost
  - c. Average Fixed Cost
  - d. Average Variable Cost
  - e. Marginal Physical Product
- 2b. State ten (10) characteristics a good farm manager
- 3a. Define the following term
- 3b. State the law of diminishing return
- 3c. Briefly explain the scope farm management
- 4a. Distinguish between asset and liabilities
- 4b. Enumerate six (6) usefulness of gross margin analysis
- 4b. Outline the six steps of the problems solving approach
- 4c. State five advantages of budgeting to the farmer
5. Using the straight line method of calculating depreciation, calculate the depreciation of an asset costing N4,000 initially, salvage value of N400 and expected life of 10 years. Present your answer in tabular form depicting each year's depreciation calculation

6. Enumerate and discuss five factors influence crop yields of the farmer in Nigeria