



NATIONAL OPEN UNIVERSITY OF NIGERIA
14-16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
SCHOOL OF SCIENCE AND TECHNOLOGY
JANUARY/FEBRUARY 2013 EXAMINATION

AEC403: Agricultural Production Economics and Resource Management

Credit Unit: 3

Level: 400level

Time Allowed 3 hours.

INSTRUCTIONS: Answer any five questions. All questions carry equal marks.

1. (a) What do you understand by Agricultural Economics? (3marks)
(b) Mention ten special areas/disciplines which agricultural economics deals with. (5marks)
(c) Differentiate between microeconomics and macroeconomics. (12marks)
2. (a) Explain the term price mechanism? (5marks)
(b) Mention five roles of the price mechanism in a competitive economy. (5marks)
(c) What is farm management? (5marks)
(d) Identify five characteristics of peasant agriculture in Nigeria. (5marks)
3. (a) What do you understand by factor of production? (3marks)
(b) Identify four factors of production (2marks)
(c) Briefly explain three of them. (15marks)
4. (a) State the law of diminishing margin returns and principles of maximum profit. (10marks)
(b) Define renewable and non-renewable resources. (6marks)
(c) What are resources? (4marks)
5. (a) Identify five types of farm assets. (2.5marks)
(b) State five major methods for valuing farm capital resources and mention their uses. (10marks)
(c) What is production function? (7.5marks)
6. (a) Mention three (3) analytical tools of production economics and explain them. (17marks)
(b) Identify three uses of linear programming in Agriculture in analyzing farm problems. (3marks)
7. Explain any four of the following terms :
(a) Opportunity cost;
(b) Choice;
(c) Joint products;
(d) Comparative advantage;
(e) Specialization.