



NATIONAL OPEN UNIVERSITY OF NIGERIA
14/16, Ahmadu Bello Way, Victoria Island

SCHOOL OF SCIENCE AND TECHNOLOGY

October, 2013 Examination

Course Code: AEM 450

3 UNITS

Course Title: Agricultural Finance and Marketing.

TIME: 2hrs 30min

Answer 5 Questions (All questions carry equal marks)

- 1
 - a. Define the term Agricultural Financing. (3 marks)
 - b. Explain with examples, the classifications of Agricultural Financing. (8 marks)
 - c. Write short notes on any three of the following: (3 marks each)
 - i. Esusu
 - ii. Ajo
 - iii. Cooperative societies
 - iv. Commercial banks
 - v. Specialised banks
- 2
 - a. Briefly explain five roles of credit in farm businesses. (5 marks)
 - b. List three credit instruments and explain any two incisively. (7 marks)
 - c. State four ways by which loans can be repaid and explain any two incisively. (8 marks)
- 3
 - a. Why is record keeping so important in Agricultural business/ production? (5 marks)
 - b. State six principles of farm accounting and explain any three. (15 marks)
- 4
 - a. Define budgeting. (5 marks)
 - b. Explain the types of budgeting. (10 marks)
 - c. Why is budgeting not reliable as a planning tool? (5 marks)
- 5
 - a. Define the concepts of market and marketing as regard industrial or agricultural product. (5 marks)
 - b. Briefly discuss the major functions performed in the marketing of industrial or agricultural products. (10 marks)
 - c. List the types of markets and describe any two. (5 marks)

6. a. Briefly discuss the significance of marketing to the agricultural business sector of the economy. (6 marks)
- b. State the Law of demand. (4 marks)
- c. List the determinants of demand and explain any three. (10 marks)
- 7 a. State the law of supply. (4 marks)
- b. List the determinants of supply and explain any three. (10 marks)
- c. Write briefly on any three of the following terms: (3 marks each)
- | | |
|--------------------------------|-------------------------------|
| i. Price elasticity of supply | ii. Perfect elastic of supply |
| iii. Relatively elastic supply | iv. Relative inelastic supply |
| v. Perfect inelastic supply | vi. Unitary elastic supply |