



NATIONAL OPEN UNIVERSITY OF NIGERIA
14-16 AHMADU BELLO WAY, VICTORIA ISLAND LAGOS
SCHOOL OF AGRICULTURAL SCIENCES
SEPTEMBER/OCTOBER 2015 EXAMINATION

COURSE CODE: AEC 308

COURSE TITLE: PRINCIPLES OF FARM MANAGEMENT (2U NITS)

TIME ALLOWED: 2 HOURS

INSTRUCTION: Answer 4(four) Questions Only.

(1) Identify and explain any five (5) possible ways risks can be minimized in farm business (25 mks)

- (2) a. State the law of diminishing return (5 mks)
b. List any ten (10) general principles of management (1 Mk each)
c. State 5 characteristics of capital (2 mks each)

- (3) a. List and briefly explain 5 sources of capital (3 mks each)
b. If a farmer produced an output of 160 tons using a total variable cost of ₦480. Calculate the average variable cost (5 mks)
c. What is marginal cost (5 mks)

(4) .Explain fully any 5 characteristics of cooperative societies that you know (5 mks each)

- (5) a. Define labour efficiency (5 mks each)
b. Distinguish between the two types of partnership business (10 mks)
c. State four methods of farm valuation (4 mks each)
d. State 6 advantages of keeping farm records (6 mks)

(6) Write short note on the following (5 mks each)

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| a. The scalar chain | b. Opportunity cost |
| c. Marginal cost | d. Thrift and credit cooperative society |

e.Overhead cost