



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**University Village, Nnamdi Azikwe Express Way, Jabi, Abuja**  
**Faculty of Agricultural Sciences**

**June/July 2017 Examination**

**Programme: Agricultural Extension and Management**

**Course Code: AEC 308**

**Course Title: Principles of Farm Management Credit Unit: 2**

**Total Score: 100 Marks**

**Time Allowed: 2 Hours**

**Instruction: Answer any four (4) Questions, All Questions carry equal Marks**

1 Enumerate 10 general principles of management 10mks

Explain the meaning of the following terms as used in farm management

- i The Principles of Substitution ii Cost iii Farm Records iv Farm Accounts
- v Limited Return on Capital vi Patronage Dividend

2a Differentiate between Risk and uncertainty 4mks

b. Name 6 features of Agricultural production which can make farm management operation different industrial enterprises. 6mks

c Point out and explain any five ways risk can be managed in farm business. 15mks

3 a. What is decision-making? 1mk

b. The success of any farm manager depends on the type decision s/he makes. List step by step and explain briefly the seven essential steps of decision-making in farm management. 14mks

c. There are many problems confronting farmers on the farm. Mention ten of these problems 10mks

4. a. Write short notes on the following:

- i The Law of Diminishing returns 5mks
- ii Principles of Substitution. 5mks

4b. What do you understand by costs? 5mks

4c. Explain the principles of opportunity cost and how it helps in farm management decisions 10mks

5. a. There are many features of agricultural production which make farm management operations very difficult unlike industrial enterprises. List and explain five of such features. 10mks

b. Define Labour and list six factors affecting the supply of farm labour. 10mks

6. a. Expatriate on the concept "Single-proprietorship" 10mks

b. Give five reasons why single proprietorship assumes popularity in business ownership among Nigerian farmers 10mks

c. Enumerate five disadvantages of this business style. 5mks