



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

Course Code: AEA302
Course Title: Agricultural Finance
Credit Unit: 2
Time Allowed: 2 Hours

Instruction: Answer any four (4) Questions

1. (a) What is agricultural finance? **(8 marks)**
(b) List and explain the aspects of financial management.
(17 marks)
2. (a) Explain vividly the term financial intermediaries as it is used in Agricultural Finance.
(10 marks)
(b) Write short note on the following:
(i) Intermediate term credit.
(ii) Production credit.
(iii) Consumption credit.
3. Enumerate why credit is important to farmers.
(25 marks)
- 4 (a). State the essential conditions that are necessary for credit to facilitate agricultural development.
(10 marks)
(b). State the advantages of efficient credit programme.
(c). Outline the role of credit in facilitating agricultural development.
- 5(a). List five types of farm records.
(10 marks)
(b). What do you understand by the term law of diminishing return?
(1 mark)
(c). Write short notes on
i. Farm operation records. **(4 marks)**
ii. Production records. **(4 marks)**

iii. Farm receipt record. **(6 marks)**

6 (a). what is opportunity cost ? **(5 marks)**

(b). Outline the advantages **(10 marks)** and disadvantages.
(10 marks)