



NATIONAL OPEN UNIVERSITY OF NIGERIA
14-16 AHMADU BELLO WAY, VICTORIA ISLAND LAGOS
SCHOOL OF SCIENCE AND TECHNOLOGY
MAY/JUNE 2012 EXAMINATION

AEC403: Agricultural Production Economics and Resource Management

Time Allowed 3 hours.

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

1. (a) Define Agricultural Economics. (3marks)
(b) Identify ten special areas/disciplines which agricultural economics deals with. (5marks)
(c) Differentiate between microeconomics and macroeconomics. (12marks)
2. (a) What do you mean by price mechanism? (5marks)
(b) List five roles of the price mechanism in a competitive economy. (5marks)
(c) What is farm management? (5marks)
(d) List five characteristics of peasant agriculture in Nigeria. (5marks)
3. (a) Define a 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) List five types of farm assets. (2.5marks)
(b) Identify five major methods for valuing farm capital resources and mention their uses. (10marks)
(c) What do you understand by production function? (7.5marks)
6. (a) Mention three (3) analytical tools of production economics and explain them. (17marks)
(b) Mention three uses of linear programming in Agriculture in analyzing farm problems. (3marks)
7. Write short note on any four of the following:
(a) Opportunity cost;

- (b) Choice;
- (c) Specialization;
- (d) Comparative advantage;
- (e) Joint products;