



**National Open University of Nigeria**  
**Plot 91, Cadastral Zone, Nnamdi Azikiwe Expressway, Jabi, Abuja**  
**Faculty of Agricultural Sciences**  
**October/November, 2016**

**Department: Agricultural Economics and Extension**

**Course Title: Agricultural Business Management**

**Course Code: AEM 509**

**Credit Unit: 3**

**Total Score: 100 Marks**

**Time Allowed: 3Hours**

**Instruction: Answer 5 questions only. Each question carries equal marks (20 marks)**

- (1) The total cost of producing 100 units of tin tomato is N2, 000.00 and the fixed cost of the production is N800.00 and if 10 more units of tin tomato were to be produced. Calculate
  - a. Variable cost of producing 100 units of tin tomato
  - b. Total cost of producing 110 units of tin tomato
  - c. Marginal cost of producing one additional unit of tin tomato
  - d. Variable cost of producing 110 units of tin tomato 20 marks
- (2). List and explain 4 function of agribusiness management. 20 marks
- (3)
  - a. Explain partnership in agribusiness organizations. 8 marks
  - b. Explain 2 sectors of production in agribusiness. 12 marks
- (4)
  - a. What is an agribusiness cooperative? 6 marks
  - b. Briefly explain the 3 types of agribusiness cooperation. 9 marks
  - c. State 5 characteristics of a good manager. 5 marks
- (5)
  - a. Explain briefly agricultural research policy of the federal government. 4 marks
  - b. State 8 National Agricultural Research Institutes and their area of mandate. 16 marks
- (6)
  - a. State 6 taxes payable to Federal government and 4 taxes payable to local government. 10 marks
  - b. Briefly explain individual income tax value added tax and corporate tax. 10 marks
- (7) Write short notes on the following
  - a. Marginal cost 5 marks
  - b. Opportunity cost 5 marks
  - c. Law of diminishing return 5 marks
  - d. Principles of Farm Valuation and Depreciation 5 marks