



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

**Course Code: AEC308**  
**Course Title: PRINCIPLES OF FARM MANAGEMENT**  
**Time Allowed: 2 HOURS**  
**Instructions: INSTRUCTION: ANSWER 4 QUESTIONS ONLY**

- 1 a. Define the following
  - i. Agriculture ii. Agricultural Economics iii. Farm Management iv. Decision Making v. Uncertainty vi. Risk vii. The Principles of Substitution viii. Cost ix. Farm Records x. Farm Accounts
- 1 b. State the law of diminishing
- 1 c. State five (5) Process of Decision Making
- 2a. Distinguish between Diversification and Specialisation
- 2b. Enumerate five type of costs involved in agricultural production
- 2c. Briefly explain the Scope of farm management
3. Write short but concise notes on the following
  - a. Marginal Cost
  - b. The Scalar Chain
  - c. Characteristics of capital
  - d. Limited or Sleeping Partners
  - e. Overhead (Fixed) Costs
- 4a. What is the implication of cost of a farmer?
- 4b. Explain the three types of labour and give three example of each category
5. List and discuss five (5) types of capital used in agriculture.
- 6a. Enumerate the characteristics of Cooperative Societies

6b. Give five (5) advantages of keeping farm records and accounts