



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**Nnamdi Azikiwe Expressway, Plot 91, Cadastral Zone, Jabi, Abuja**  
**Faculty of Agricultural Sciences**  
**October/November, 2016**

**Programme: Agricultural Extension and Management**

**Course Code: AEA 302**

**Course Title: Agricultural Finance**

**Credit Unit: 2**

**Total Score: 100 Marks**

**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 mark)s**
  - iii. Farm receipt record. **(6 marks)**
- 6 (a). what is opportunity cost ? **(5 marks)**

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