



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

COURSE CODE: AEM 451

COURSE TITLE: FARM BUSINESS ORGANIZATION

TIME ALLOWED: 2 ½ HOURS

INSTRUCTION: ANSWER ONLY 5 QUESTIONS

1.
 - a. Define agriculture.
 - b. What are the productive resources in agriculture?
 - c. Define farm management.
 - d. State four objectives of farm management.
 - e. Mention five factors usually considered in the organization of a farm set?
 - f. State five attributes of a farm manager.
2.
 - a. What is land consolidation?
 - b. As a professional, what advice would you offer to a farmer when land is limited in supply, in order to enhance his productivity?
 - c. In what ways can the gross margin per man-hour be increased?
 - d. "The objectives for any organization like commercial farming should be clear and numerical so that all its managers have a commonly accepted goal".
Mention these objectives.
3.
 - a. Mention the four major functions of management.
 - b. Mention the eight problem solving approach in farm management.
 - c. By their definition, differentiate between budgeting and farm budget.
 - d. Mention the two different budgeting types.
4.
 - a. Name the two major approaches of collecting farm management information.
 - b. Under these two major approaches, list the different methods of collecting farm management information.
 - c. Name the two steps involved in taking a farm inventory.
 - d. Define a farm asset.
 - e. With two examples each, mention three classes of assets.
5.
 - a. What are the practices for enhancing good farm Management and minimizing risks?
 - b. For a livestock enterprise, what considerations or practices would you carry out for effective management and risk minimization?
6.
 - a. What are the rewards for using farm resources or factors of production?
 - b. Mention three methods of acquiring factors of production.
 - c. State the uses of factors of production.
 - d. Define the following terms:
 - i. Technical efficiency;
 - ii. Allocative efficiency;
 - e. State four relevance of resource productivity.
7.
 - a. What is liquidity?

- b. Mention four main indicators of liquidity.
- c. Define each of the four main indicators of liquidity.
- d. What is solvency?
- e. Name three indicators of solvency.