



**NATIONAL OPEN UNIVERSITY OF NIGERIA
14-16 AHMADU BELLO WAY, VICTORIA ISLAND LAGOS
SCHOOL OF AGRICULTURAL SCIENCES
SEPTEMBER/OCTOBER 2015 EXAMINATION**

**COURSE CODE: AEM 753
COURSE TITLE: FARM MANAGEMENT
TIME ALLOWED: 2 HRS
INSTRUCTION: ANSWER ANY 4 QUESTIONS**

1. (a) What is farm management? (3 marks)
(b) State five usefulness of gross margin in farm management (5 marks)
(c) Concisely explain the three basic elements for successful managerial performance (9 marks)
(d) Give detail description of four managerial functions (8 marks)
2. (a) Discuss the importance of farm management in developing economies (3 marks)
(b) Identify ten characteristics of a good farm manager (5 marks)
(c) Clearly explain the six steps of the problem solving approach (12 marks)
(d) Highlight five advantages of farm budgeting (5 marks)
3. (a) Explain five basic information needed in farm records (10 marks)
(b) State five benefits of keeping up-to-date farm records (5 marks)
(c) Itemize five types of records to be kept for decision making on the farm (5 marks)
(d) Differentiate between variable and fixed resources (5 marks)
4. (a) Define assets and highlight three classes of assets (5 marks)
(b) Outline four methods for measuring depreciation of assets (4 marks)
(c) Write short note on five methods of valuation of resources (10 marks)
(d) Briefly describe the three principal resources in farm production practices (6 marks)
5. (a) Explain how the following economic principles can affect decision making in a farm business (15 marks)
 - (i) Operational cost
 - (ii) Marginal cost
 - (iii) Marginal benefit
(b) Describe the effect of the law of diminishing returns on agricultural production processes. Cite an example (5 marks)
(c) With relevant examples differentiate between supplementary and competitive enterprises (5 marks)

6. (a) What are liabilities? (2 marks)
(b) Describe three types of liabilities (6 marks)
(c) Explain the relevance of net worth statement to a farm business venture (5 marks)
(d) Outline seven measures in identifying the of a farm business (7 marks)
(e) Identify five steps critical to farm budget preparation (5 marks)