# NATIONAL OPEN UNIVERSITY OF NIGERIA
# FACULTY OF AGRICULTURAL SCIENCES
# SECOND SEMESTER EXAMINATION
# JANUARY/FEBRUARY, 2018

## Programme: Agricultural Extension and Management

**Course Title:** **Agricultural Production Economics & Resource Management**
**Course Code:** **AEC 403**
**Credit Unit:** **3**
**Total Score:** **70 Marks**
**Time Allowed:** **3 Hours**

**INSTRUCTION:**
**Answer Compulsory question 1 ( 30 marks) and any 4 questions (10 marks each).**

1. (a) Give a concise definition of agricultural economics and itemize six (6) areas of its specialization. **5 marks**
   (b) i. What do you understand by price mechanism? **2 marks**
   ii. Explain three (3) limitations of the Price system in a perfect competitive market. **3 marks**
   (c) Differentiate between gross margin and farm profit. **5 marks**
   (d) List five (5) major methods for valuing farm capital resources. **5 marks**

   (e) Define the following economic concepts and relate them to both microeconomics and macro-economics: scarcity, resource, allocation, specialization and opportunity cost **5 marks**
   (f) What are the five (5) basic roles of Prices in a Perfect Market **5 marks**

2. (a) Write short notes on the following analytical tools of production economics
   i. Econometric method
   ii. Linear Algebra and its extension to linear programming **5 marks**
   (b) Define Production, and explain capital as a factor of production. **5 marks**

3. (a) Explain the concept of comparative advantage and its application to Nigeria. **5 marks**
   (b) Brief discuss on Factor – Factor Relationship. **5 marks**

4. (a) Itemize the three (3) basic substitutions among inputs and products and explain one. **5 marks**

(b) Explain the meaning of the following products relationships:
- Complementary Products
- Supplementary Products **5 marks**

5. (a) Discuss the relationship between Private and Social Costs. **5 marks**

(b) Explain revenue and list it types. **5 marks**

6. (a) Discuss on depreciation and give its importance. **4 marks**

(b) What are the three (3) objectives of resources management. **6 marks**

7. (a) Write on five (5) uses of linear programming. **5 marks**
(b) List five (5) assumption of linear programming. **5 marks**