



*(University of Choice)*  
**MASINDE MULIRO UNIVERSITY OF  
SCIENCE AND TECHNOLOGY  
(MMUST)**

MAIN CAMPUS  
**MASINDE MULIRO UNIVERSITY OF  
SCIENCE AND TECHNOLOGY  
(MMUST)**

**UNIVERSITY EXAMINATIONS**

**2019/2020 ACADEMIC YEAR**

**FOURTH YEAR, SECOND SEMESTER EXAMINATIONS**

**FOR THE DEGREE OF**

**BSc. AGRICULTURE EDUCATION AND EXTENSION, BSc.  
AGRICULTURE BIOTECHNOLOGY, AND BSs. AGRI-  
BUSINESS MANAGMENT**

**COURSE CODE: AEC 405**

**COURSE TITLE: FARM MANAGEMENT EXAM**

**DATE: 28/04/2022 TIME: 8-10 AM.....**

**INSTRUCTION TO CANDIDATES**

Answer **ALL** questions in section A and any other **Two** questions in section **B**

Time: 2 hours

## SECTION A

- QUE. 1. a) What is the primary goal of the farm manager? (2 marks)
- b) Differentiate between economics and agriculture economics? (4 marks)
- c) List and briefly explain three characteristics of agricultural products (4 marks)
- Que 2 a) What questions does the farm manager have to answer (3 marks)
- b) What is the scope of farm management? (3 marks)
- c) Explain labour as a factor of production. (4 marks)
- Que 3 a) List and briefly explain how labour is applied in production? (4 marks)
- b) Define the term farm records and list and briefly explain the advantages of keeping farm records? (4 marks)
- c) What do you understand by the term agriculture products are perishable? (2 marks)

## SECTION B

- Que 4. a) It is believed that the farm manager operates in a complex risk environment; explain? (6 marks)
- b) What is the scope of farm management? (6 marks)
- c) Differentiate between strategic and tactical farm management (4 marks)
- d) State and briefly explain the two types of balance sheets in terms of asset valuation stating advantages of each (4 marks)
- Que 5. a) A farm has Shs.200 worth of current assets, Shs.800 worth of noncurrent assets, Shs.120 worth of current liabilities and Shs.400 worth of noncurrent liabilities.
- i) Use this information to demonstrate the format of a balance sheet (6 marks)
- ii) Use the balance sheet table developed to determine owners' equity (4 marks)
- Shs. 480
- b) What are shadow prices and how are they used in farm (planning) budgeting (4 marks)
- c) Use tables to demonstrate the two formats of presenting a balance sheet (6 marks)
- Que 6. a) Differentiate between a partial budget and a complete (whole farm) budget (4 marks)
- b) What are the functions of a farm manager? (6 marks)
- c) What are the characteristics of decisions? (4 marks)
- d) Use an example to describe the sum of the year depreciation method? (6 marks)

- Que 7. a) Briefly differentiate between risks and uncertainties (4 marks)
- b) Define and briefly explain the purpose of a balance sheet (6 marks)
- b) Define and briefly explain the terms solvency and liquidity (2 marks)
- d) List and briefly explain the four functions of a farm manager (8 marks)