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(University of Choice)

**MASINDE MULIRO UNIVERSITY OF
SCIENCE AND TECHNOLOGY**

THIRD YEAR FIRST SEMESTER UNIVERSITY EXAMINATIONS

FOR ACADEMIC YEAR 2023/2024

(MAIN EXAMINATION)

**FOR THE DEGREE
OF
BACHELOR OF SCIENCE, AGRICULTURAL ECONOMICS AND RESOURCE
MANAGEMENT**

COURSE CODE: AEC 302

COURSE TITLE: FINANCIAL MANAGEMENT IN AGRICULTURE

DATE: 18/12/2023

TIME: 12-2 PM

INSTRUCTIONS TO STUDENTS

Answer Question ONE (1) and any other TWO (2) questions from the choices given.

TIME: 2 Hours



QUESTION ONE (30 marks)

- a) Differentiate between institutional and non institutional sources of finance (4marks)
- b) Briefly explain the concept of Agricultural finance (4marks)
- c) State and briefly explain Agricultural credit (4marks)
- d) List 3 major credit instruments involved in the extension of agricultural credit (3marks)
- e) State and explain the importance of agricultural finance (4marks)
- f) State and briefly explain any 4 basic principles of farm accounting (4marks)
- g) Outline three types of budgeting (3 marks)
- h) Outline four methods of credit repayment in farm business (4marks)

QUESTION TWO (20 marks)

Discuss the different methods of credit classification (20marks)

QUESTION THREE (20 marks)

- a) Define budgeting (4marks)
- b) Discuss the different types of budgets in a farm business (16 marks)

QUESTION FOUR (20 marks)

State and explain the importance of credit in farm business (20marks)

QUESTION FIVE (20 marks)

- a) Identify and discuss major types of farm records and accounts (10 marks)
- b) Discuss the importance of keeping farm records on a farm business (10 marks)