

60



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

MAIN CAMPUS

**UNIVERSITY EXAMINATIONS
2021/2022 ACADEMIC YEAR**

(MAIN EXAMINATION)

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

COURSE CODE: AEC302

COURSE TITLE: FARM BUSINESS MANAGEMENT

DATE: 28th April 2022

Time: 10-12AM

INSTRUCTIONS TO CANDIDATES

Answer all questions in section A and any two questions in B

TIME: 2 hours

MMUST observes ZERO tolerance to examination cheating

This paper consists of TWO printed pages. Please Turn Over

SECTION A: Answer ALL questions in this section (30mks)

1. Define the following terms as used in farm business management
 - a. Farm (3marks)
 - b. Farm management (3marks)
2. a) State any 3 factors that affect production (3marks)
b) What do you understand by the term marginal analysis (3marks)
- 3 why is decision making an important tool for farm management (3marks)
4. Outline the decision making process in a typical farm in Kenya (3marks)
5. Differentiate complete budget from partial budget (3marks)
6. Briefly explain economics of land tenure in Kenya (3marks)
7. Differentiate subsistence farming from commercial farming (3marks)
8. Define linear programming (3marks)

SECTION B: Answer any 2 questions from this section (20marks each)

9. a) Define farm enterprise (4marks)
b) Discuss typical farm enterprises practiced in Kenya (16marks)
10. What are the major functions of a farm manager? Discuss. (20 marks)
11. Discuss the major kinds of risk faced by a farm business (20marks)
12. a) what is farm planning and budgeting in agriculture? Briefly explain (4marks)
b) Discuss the four types of farm budgets on the farm (16marks)