



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

MAIN CAMPUS

**UNIVERSITY EXAMINATIONS
2023/2024 ACADEMIC YEAR**

MAIN EXAMINATION

**FOR THE DEGREE
OF
BACHELOR OF SCIENCE IN AGRIBUSINESS AND MARKETING
ODEL**

COURSE CODE: AEC 289

COURSE TITLE: FARM BUSINESS MANAGEMENT

DATE: 12/4/2024

Time: 8-10 AM

INSTRUCTIONS TO CANDIDATES

Instructions: Answer ALL questions in A and any two questions in B

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

1. a) state and briefly explain the three methods of decision making (3marks)
b) What is the importance of farm business management (3marks)
2. a) state and explain the principle of variable proportions (3marks)
3. Distinguish among the following budgets:
 - i) Complete budget (3marks)
 - ii) Partial budget (3marks)
 - iii) Break even budgeting (3marks)
4. a) Briefly explain any 3 types of farming in Kenya (3marks)
b) Differentiate subsistence farming from commercial farming (3marks)
c) What is risks and uncertainty in farm business (3marks)
5. Define farm management (3marks)

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

6. Discuss risks and uncertainties faced by farmers and explain measures farmers take to mitigate them. (20marks)
7. What are the major functions of a farm manager? Discuss. (20 marks)
8. Planning is an important aspect of farm business. Discuss (20marks)
9. Discuss the major economic principles that help in rational farm management (20marks)

