

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

THIRD YEAR EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF AGRICULTURAL EDUCATION, ANIMAL SCIENCE AND AGRICULTURE

AGEC 343: PRINCIPLES OF FARM MANAGEMENT

STREAMS: AGED Y3S2, ANSC Y3S2 & AGRIC Y3S2

TIME: 2 HOURS

DAY/DATE: FRIDAY 13/04/2018

11.30 A.M - 1.30 A.M.

INSTRUCTIONS:

- Answer Question ONE and any other THREE Questions

QUESTION ONE (COMPULSORY) [25 MARKS]

- (a) Discuss any FIVE categories of farm management decisions. [5 Marks]
- (b) John, a farmer in Ndagani has presented the following information to you. Fertilizer costs Kshs.15 per unit and the price of output is Kshs.3 per kg.

Fertilizer	Maize yield (Kgs)
1	20
2	50
3	70
4	80
5	85
6	87
7	85

- (i) Advise him on the exact amount of fertilizer he should apply to maximize his profit. [4 Marks]
- (ii) Illustrate and explain of each stage of production with reference to the information presented above. [6 Marks]
- (c) 'A farm plan makes the farm operations successful. Discuss. [10 Marks]

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QUESTION TWO [10 MARKS]

(a) Describe the economic problems that farm managers face.

[5 Marks]

(b) The information below was obtained from Kanini's farm. She wants to substitute cowpeas with cotton production. Prepare a partial budget and establish whether the change is worthwhile.

[10 Marks]

Cotton (15 hectares, 1700 kg/ha yield)	Kshs.
Variable costs	90
Seed	288
Fertilizer	2,550
Casual labour	128
Packaging	1,264
Tractor hire	3,396
Pesticides	150
Fixed cost of cotton production: depreciation	
Sales	
Cowpeas (15 hectares, 833 kg/ha yield)	
Variable costs	
Seed	390
Fertilizer	511
Casual labour	3,415
Packaging	2,036
Tractor hire	2,694
Pesticides	431
Fixed costs of cowpeas production: depreciation	240
Sales	12,500

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QUESTION THREE [15 MARKS]

- (a) Describe FIVE elements that make a farm layout efficient. [5 Marks]
- (b) ‘Today’s farming is profession operated as a business rather than a way of life thus the need for farm accounts’. Justify this statement. [10 Marks]

QUESTION FOUR [15 MARKS]

- (a) Explain FIVE characteristics of a good farm plan. [5 Marks]
- (b) A livestock farmer in Tharaka Nithi County is considering whether to venture into production of poultry or rabbit. Given the information below, what advice would you give him based on the gross margin analysis? [10 Marks]

Particulars	Poultry per year (Kshs)	Rabbit per year (Kshs)
Equipment	1,500	900
Labour costs	3,000	2,000
Feed costs	10,000	8,000
Drugs	2,000	500
Utilities: Light	500	200
Water	700	300
Eggs sale	40,000	-
Chicken sale	9,000	-
Rabbit meat	-	45,000
Empty feeds bag sale	1,000	300

QUESTION FIVE

(Missing)

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