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2425/303
FARM BUSINESS MANAGEMENT
AND EXTENSION EDUCATION
Oct./Nov. 2018
Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN AGRICULTURE

MODULE III

FARM BUSINESS MANAGEMENT AND EXTENSION EDUCATION

3 hours

INSTRUCTIONS TO CANDIDATES

You should have the following for this examination:

Answer booklet;

Non-programmable scientific calculator.

This paper consists of EIGHT questions in TWO sections A and B.

Answer any THREE questions from section A and any TWO questions from section B in the answer booklet provided.

All questions carry equal marks.

Maximum marks for each part of a question are indicated.

Candidates should answer the questions in English.



This paper consists of 3 printed pages.

Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

SECTION A: FARM BUSINESS MANAGEMENT (60 marks)

Answer any **THREE** questions from this section.

1. (a) Explain the administrative management decisions made by farm managers. (8 marks)
How to produce
what to produce
when to produce
whom to produce
- (b) Highlight the features of a farm plan. (8 marks)
- (c) State the components of a partial budget. (4 marks)
2. (a) Explain any five methods used to safeguard against risks and uncertainties. (10 marks)
- (b) Explain any five disadvantages of sole proprietorship. (10 marks)
3. (a) Explain any three uses of single enterprise budget. (6 marks)
- (b) Describe the concepts in linear programming. (14 marks)
4. (a) State any four sources of farm management data. (2 marks)
- (b) Highlight the aims of strategic human resource management. (8 marks)
- (c) Highlight the purpose of keeping farm records. (10 marks)
5. (a) State the purpose of long term credit. (5 marks)
- (b) The following information is available from Nyanza Technology Farm as at 31st December 2015.

Item	Debit and Credit in Ksh
Opening valuation	10,000
Purchases	50,000
General expenses	25,000
Transport	1,000
Electricity bill	2,000
Sales	250,000
Rent income	20,000
Discount income	13,000
Closing valuation	5,000



- Using the information, prepare a profit and loss account. (10 marks)
- (c) Highlight any five factors considered when preparing a farm layout. (5 marks)

38,000
283,000

SECTION B: EXTENSION EDUCATION (40 marks)

Answer any TWO questions from this section.

6. (a) Describe the benefits of planning extension programmes at the local level. (10 marks)
- (b) Describe the significance of monitoring extension programmes. (10 marks)
7. Explain **four** types of extension reports prepared by extension workers. (20 marks)
8. (a) Explain the use of key informants in extension programmes. (10 marks)
- (b) Outline the procedure for report writing. (10 marks)

Workshop Reports.

Field Reports.



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