

2425/303

**FARM BUSINESS MANAGEMENT  
AND EXTENSION EDUCATION**

**June/July 2020**

**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 TWO sections; A and B.*

*Answer any THREE questions from section A 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.*

*Cell*

*Calculator*

**This paper consists of 4 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) Describe **six** characteristics of farm management science. (12 marks)
- (b) Describe **four** farm accounts records. (8 marks)
2. (a) Highlight **six** functions of marketing boards. (6 marks)
- (b) Explain **seven** types of business partnerships. (14 marks)
3. (a) Highlight **five** characteristics of a farm plan. (5 marks)
- (b) The following information is available from Mr. Barasa's farm for the financial year ending 31<sup>st</sup> December 2018.

Item	Value (Ksh)
<b>Opening Valuation</b>	
- Sheep	40,000
- Goats	100,000
- Cattle	200,000
- Stored produce	50,000
- Equipment	100,000
- Machinery	200,000
<b>Sales</b>	
- Cash	10,000
- Milk	100,000
- Food	150,000
- Cattle	200,000
- Sheep	10,000
<b>Expenditure</b>	
- Concentrates	10,000
- Roughages	20,000
- Veterinary services	10,000
- Salaries	20,000
- Wages	10,000
- Insurance	10,000
- Depreciation	15,000

*Handwritten notes:*

- Production, Health, Use water, Feasible in design market
- Set price to the members
- Education members
- Buying product from members
- Grades
- Give credits to members
- Give member inputs

	Cost	Sell
		10,000

  

100,000	
200,000	
100,000	

  

Item	Cost	Profit
4000	10,000	
100,000	100,000	
200,000	950,000	
50,000	250,000	
100,000	1000	
200,000		

*decisions*

*Co-operative & Companies - Supermarket - Consumers - Wholesale*

*early*



Item	Value (Ksh)
<b>Closing Valuation</b>	
Cattle	150,000
Goats	150,000
Sheep	50,000
Equipment	100,000

Using the information, prepare a profit and loss account for Mr. Barasa's farm.

(15 marks)

4. (a) Explain **four** uses of single enterprise budget.

(8 marks)

(b) Table 1 shows information from a farmer's farm records.

Table 1

	Coffee	Tea
Total revenue	60,000	80,000
Total cost	40,000	60,000
Labour	10,000	20,000
Fertilisers	5,000	10,000
Weeding	10,000	5,000
Other expenses	10,000	10,000

*Handwritten notes:*  
 16,000, 80,000  
 To know whether it is  
 increasing profit or loss  
 To know when to  
 60,000 80,000  
 40,000 60,000  
 10,000 20,000  
 5,000 10,000  
 10,000 5,000  
 10,000 10,000  
 135,000 185,000  
 -60,000 -80,000  
 75,000 105,000  
 Profit

If the farmer intends to replace his coffee farm with tea:

(i) prepare a partial budget for the farmer;

(ii) find out whether the proposed change is worthwhile.

(12 marks)

5. (a) The original value of a disc plough is Ksh 5,000. If it has a junk value of Ksh 500 and a life span of 5 years, determine its depreciation using straight line method.

(5 marks)

(b) Explain the classification of journals.

(10 marks)

(c) Describe the effect of farm layout.

(5 marks)

*Handwritten calculation:*  
 60,000  
 20,000  
 20,000  
 8,000  
 -----  
 108,000  
 8,000  
 -----  
 100,000  
 Calculate



**SECTION B: EXTENSION EDUCATION (40 marks)**

*Answer any TWO questions from this section.*

6. (a) Outline the procedure of programme planning. (10 marks)
- (b) Describe the **two** forms of programme evaluation. (10 marks)
7. (a) Highlight the features of a standard project report. (10 marks)
- (b) Describe the procedure of programme implementation. (10 marks)
8. (a) Highlight the scope of extension programmes in agriculture. (5 marks)
- (b) Explain characteristics of a good agricultural extension programme. (15 marks)

