**DARAJANI SECONDARY SCHOOL,**

**P.O. BOX 20-90129, NGWATA.**

**TERM 2, 2015 CAT 2**

**FORM 4**

**AGRICULTURE**

**NAME…………………………………………………………………………………………ADM. NO……………….. CLASS: ………….**

1. Give meaning of the following terms as used in production economics. (3 marks)
2. Production function

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1. Variable inputs

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1. Variable costs

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1. Mention three types of production functions. (3 marks)

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1. State four advantages of budgeting in farm business. (2 marks)

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1. List two types of farm budgets. (1 mark)

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1. Mention four important agricultural support services available to farmers. (2 marks)

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1. Give four financial documents in which financial information in the farm is kept. (2 marks)

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1. State four factors that influence demand for a commodity. (2 marks)

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1. (a) State the use of a profit and loss account. (1 mark)

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(b) The owner of Kabete farm made the following purchases during the year 2007.

Feeds 2,000/=

Seeds 1,000/=

Fertilizer 1,300/=

Fuel 1,500/=

Disc plough 100,000/=

During the year the farmer sold wheat to KFA worth 40,000/=, cabbages to a local market for 35,000/= and milk to a neighbours farm for 10,000/=. The farm also expected 6,000/= from a neighbouring farm as payments for firewood delivery. The opening valuation was 120,000/= and the closing valuation was 160,000/=.

1. Prepare a profit and loss account for Kabete farm for the year ending December 2007. (9 marks)

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1. Did the farm made a profit or loss. (1 mark)

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1. The inventory for Valley Farm as at 1st June, 1987 was as follows:

Cash at hand - 5,000

Layers - 30,000

Dairy cattle - 120,000

Beans in store - 7,000

Calves - 15,000

Building - 75,000

Machinery - 95,000

Land - 200,000

On the same day the following information was obtained from the farmer’s records.

 Bank loan - 213,000

 Egg sales on credit - 10,000

 Milk sales on credit - 13,000

 Farm inputs purchases on credit - 19,000

 Wages payable - 5,600

 Vegetable sales on credit - 5,000

 Taxes payable - 750

 Cash in bank - 20,000

 Interest payable - 2,000

1. Prepare the balance sheet for the farm. (4 marks)

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