

081106T4AEX

AGRICULTURAL EXTENSION LEVEL 6

AGR/OS/EXT/CR/07/6/A

Manage Farm

July/Aug 2025



**TVET CURRICULUM DEVELOPMENT, ASSESSMENT AND CERTIFICATION  
COUNCIL (TVET CDACC)**

**WRITTEN ASSESSMENT**

**Time: 3 HOURS**

**INSTRUCTIONS TO CANDIDATE**

1. Marks for each question are indicated in the brackets.
2. The paper consists of **TWO** sections: **A** and **B**.
3. Candidates are provided with a separate answer booklet
4. **DO NOT** write on this question paper.

**This paper consists of FIVE (5) printed pages**  
**Candidates should check the question paper to ascertain that all**  
**pages are printed as indicated and that no questions are missing.**

**SECTION A (40 MARKS)**

*Attempt ALL the questions in this section.*

1. Define the term 'Operational Planning' as used in farm management. (2 Marks)
  
2. A cost is an expense incurred during the day-to-day operations of a farm enterprise. Differentiate between fixed and variable costs. (2 Marks)
  
3. Supposing you are a farm manager, outline THREE responsibilities that you think would be relevant to your role. (3 Marks)
  
4. Access to reliable and appropriate sources of funds forms the backbone of a business's ability to survive, grow, and expand. State THREE commonly available sources of funds in the financial market. (3 Marks)
  
5. Internal and external communication are essential parts of an effective communication strategy, each with its own distinct but connected role. Outline THREE key differences between internal and external communication. (3 Marks)
  
6. Reducing farm expenses is a critical aspect of profitable agricultural production. With fluctuating market prices, rising input costs, and unpredictable weather patterns, managing and minimizing farm expenditures helps ensure financial stability and long-term viability. List THREE ways of reducing such farm expenditures. (3 Marks)
  
7. Labour productivity refers to the efficiency with which workers convert their time, skills, and effort into valuable output. Identify FOUR ways you would use to improve labour productivity on your farm. (4 Marks)
  
8. Depreciation is an important concept in accounting and farm management because it helps determine the real value of assets, calculate profitability, and plan for asset replacement. State FOUR methods of calculating depreciation. (4 Marks)

9. A farm budget is a plan that helps farmers manage all their resources and activities to work efficiently. Identify FOUR types of budgets a farm can prepare. (4 Marks)
10. Gross margin analysis is a useful tool for farmers to manage their operations. Outline FOUR benefits of gross margin analysis to a farmer. (4 Marks)
11. Farm records serve as the basis for planning, monitoring, and evaluating farm operations. Identify FOUR qualities that good farm records should have (4 Marks)
12. Partial budgeting is a useful tool for analyzing the financial impact of small changes in a farm business. To carry out a meaningful partial budget, it is essential to understand its key components. State FOUR components of a partial budget. (4 Marks)

**SECTION B (60 MARKS)***Attempt Any THREE Questions in This Section*

13.

- a) Farm planning and farm budgeting are fundamental aspects of successful farm management. Explain FOUR key importance of farm planning and budgeting.

(8 Marks)

- b) James a farmer in Maragwa district intends to produces the following output:

- i. 30 bags of maize each sh.1000
- ii. 20 bags of beans each sh.2000
- iii. 10 bags of potatoes each sh.400

To produce the above he buys:

- i. 100 kg of maize seeds each sh. 200
- ii. 100 kg of beans seeds each sh.50
- iii. 50kg of potatoes each sh.100 per 50kg bag

Given that the costs for each enterprise include land preparation at Sh. 500, sprays and dusting at Sh. 300, transport at Sh. 200, and disease control at Sh. 200, calculate the gross margin for each enterprise.

(12 Marks)

14.

- a. Balance sheet is a key financial document in farm business management. Explain FOUR uses of the balance sheet in managing a farm business.

(8 Marks)

- b. Agriculture is often affected by various risks and uncertainties that can hinder productivity and profitability. However, these challenges can also be managed effectively to promote growth and resilience. Discuss SIX remedies to address agricultural risks and uncertainties.

(12 Marks)

15.

- a. Understanding depreciation is essential for financial planning, tax purposes, and accurately calculating the true value of assets. Explain FIVE causes of asset depreciation.

(10 Marks)

- b. The following information has been obtained from the books of account for Technology Farm for the year ending December 2024.

The farm manger made the following purchases and sales during the year:

Category	Details	Amount (Sh.)
<b>Purchases</b>	Seeds and Fertilizers	1,800
	Disc Plough	30,000
	Fuel	1,000
	Feeds	1,500
<b>Sales</b>	Maize sold to KFA	10,000
	Potatoes sold to a neighboring school	2,700
	Milk to KCC	5000

Given that the farm was also expecting a payment of sh 2,000 from Abeli Farm for ploughing the land, the opening valuation was sh 40,000, and the closing valuation was sh 60,000:

- i. Prepare a profit and loss account for the Technology Farm (7 Marks)
- ii. Did the farm make a profit or loss? (1 Mark)
- iii. What was the percentage profit or loss made by the farm (2 Marks)

16.

- a. Farm layout plays a crucial role in improving productivity, efficiency, resource management, and sustainability. Explain FIVE factors to consider when designing a good farm layout. (10 Marks)
- b. As a farm manager, you will be responsible for sourcing essential resources for your farm operations. While it is necessary to keep track of these resources, explain FIVE roles of maintaining an inventory in such a procurement process and how it can benefit farm operations. (10 Marks)