

081106T4AEX

AGRICULTURAL EXTENSION LEVEL 6

AGR/OS/EXT/CR/07/6

Manage Farm

November/December 2025



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

WRITTEN ASSESSMENT

Time: 3 HOURS

INSTRUCTIONS TO CANDIDATE

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

This paper consists of SIX (6) 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 Questions in this Section

1. Define the term 'Strategic Planning' as used in farm management. (2 Marks)
2. Effective internal communication is essential for the smooth operation of any organization and can be exhibited in different forms. State TWO types of internal communication. (2 Marks)
3. Understanding financial terms is essential for proper accounting and decision-making. Distinguish between an asset and a liability (2 Marks)
4. Calculate the break-even yield (BEY) given that the price of a bag of maize is Ksh 500 and the total cost (TC) is Ksh 23,500. (2 Marks)
5. There are various methods for sourcing personnel, each affected by several factors. State THREE of these factors. (3 Marks)
6. Agricultural credit enables individuals and businesses to access funds for various needs and investments. State THREE purposes of agricultural credit. (3 Marks)
7. Effective performance management helps align individual efforts with organizational objectives. Identify THREE other objectives of performance management. (3 Marks)
8. In agricultural training and farm management, it is important for learners and farmers to have a clear understanding of various farm activities. Identify THREE farm activities. (3 Marks)
9. Farmers often rely on credit to purchase inputs and invest in their farms. List THREE common challenges farmers may face when obtaining agricultural credit. (3 Marks)
10. Preparing budgets helps farmers plan, control, and evaluate their financial and operational activities. Identify THREE types of budgets a farm can prepare. (3 Marks)
11. A tractor worth sh 960,000 has got a salvage of sh 150,000 and its useful life span is estimated at 10 years. Find the rate of annual depreciation. (3 Marks)

12. Gross margin analysis is a useful tool for farmers in managing their operations. However, applying it can be challenging due to certain constraints. Identify THREE limitations of gross margin analysis to a farmer. (3 Marks)
13. Farmers often confuse uncertainties and risk in their agricultural enterprises. As an extension officer in the region, differentiate the two terms for them. (4 Marks)
14. A complete farm budget is an important financial tool used for planning and decision-making on a farm. List FOUR specific circumstances under which a complete farm budget is necessary. (4 Marks)

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

15. The following information was extracted from Mawego Farm's books of account for the year ended 31st December 2023.

Particular	Amount in K.Sh
Opening valuation	6000
Paid wages	5000
Bought equipment	8000
Bought pig feed	4000
Sold mature pigs	7000
Bought fertilizer	3200
Sold maize	3000
Sold piglets	4000
Closing valuation	4000

Required:

- a) Using the information above, prepare a profit and loss account for Mawego Farm
(12 Marks)
- b) From the calculation, state whether Mawego Farm made a profit or loss and calculate the percentage profit/loss.
(2 Marks)
- c) A balance sheet provides vital financial information about a farm or business. Discuss THREE uses of the balance sheet in evaluating financial performance and making management decisions.
(6 Marks)

16.

- a) Record keeping is a fundamental aspect of effective farm and business management, as it helps track performance, make informed decisions, and ensure accountability. Explain FIVE general principles of record keeping.
(10 Marks)

b) The Technology Farm had the following data during 31st December 2024.

ITEM		AMOUNT
1.	Land	200,000.00
2.	Building	300,000.00
3.	Tools and equipment	250,000.00
4.	Long term loan	200,000.00
5.	Outstanding bills	50,000.00
6.	Lorry	350,000.00
7.	Pick-up	150,000.00
8.	Tractor	400,000.00
9.	18 Breeding cows each	18,000.00
10.	20 Cows for sale each	15,000.00
11.	15 Sows for sale each	4,000.00
12.	Bank overdraft	80,000.00
13.	Cash in hand	15,000.00
14.	Cash in bank	20,000.00

Required: Using the information, Prepare balance sheet for the technology farm.

(10 Marks)

17.

a) Effective communication is vital for an organization's success, both within the organization and with external stakeholders. Explain FOUR importance of external communication. (8 Marks)

b) A well-prepared farm budget is essential for effective farm management and decision-making. Describe the process of formulating a farm budget. (12 Marks)

18.

a) Samson plans to start a poultry farm in Kiambu, where he will manage day-to-day operations. As he prepares, he needs to consider various risks and uncertainties that

could affect the farm's success. Discuss FOUR common types of risks and uncertainties he might encounter as a farm manager. (8 Marks)

- b) Given that the fixed cost = Ksh. 100.00, calculate the total costs and the marginal costs in the table below. (12 Marks)

Output	Total Variable Cost	Total Fixed Cost	Total Cost	Marginal Cost
0	0	100	100	-
1	60			
2	90			
3	110			
4	150			
5	230			
6	350			
7	510			
8	710			

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