

AGRICULTURAL ECONOMICS (FARM ACCOUNTS)

1. 1996

a) List four types of financial books farmers should keep. (2 marks)

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2. 1996

State two uses of a balance sheet. (2 marks)

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3. 1998

Study the following information which was extracted from Mr. Rambo's farm record on 31 -12 – 95 and answer the question below.

	Kshs.
Loans payable to bank	300,000
Five milking cows	250,000
400 layers	80,000
20 goats	30,000
Debts payable to cooperative	20,000
Buildings and structures	600,000
Bonus payable to workers	19,000
Cattle feed in store	10,000
Animal drugs in store	4,000
Debts receivable	18,000
Breakages to repair	30,000
I cash at hand	20,000
I Cash in bank	30,000
Spray equipment	12,000

Prepare a balance sheet for Rambo's farm using the information above (7 marks)

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4. 2001

a) Explain the following terms as used in farm account.

i) Cash account

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ii) Ledger

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iii) Balance sheet

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iv) Purchase order.

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Name two types of inventories used in farm accounts. (2 marks)

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5. 2002

On 5 – 1- 2001 Tamu farm purchased on credit the following items from a K.F.A shop.

- 20 bags of dairy meal, 70kg each @ sh. 1,100 per bag.
- 16 bags of bran, 70kg each @ sh. 700 per bag.
- 18 bags of D.S.P fertilizer, 50kg each @ sh. 1,500 per bag.
- 45 bags of seed maize, each 2kg @ Ksh. 300 per bag.
- 8 shearing knives (medium size) @ sh. 300 per knife.

i) Prepare the purchase order that Tamu farm made to K.F.A. (6 marks)

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- ii) Calculate the value of each item purchased and the total value of the order. (3 marks)

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6. 2004

The following accounts information is from Mrs. Mbuta's farm for the year ended 31 – 12 – 2003.

Opening valuation	Ksh. 6,000/=
Paid wages	Ksh. 5000/=
Bought equipment worth	Ksh. 8,000/=
Bought pig feeds worth	Ksh. 4,000/=
Sold mature pigs worth	Ksh. 7,000/=
Bought drugs worth	Ksh. 3,200/=
Sold maize worth	Ksh. 3,000/=
Closing valuation	Ksh. 4,000/=

- i) Using the information above, prepare a profit and loss account for Mrs. Mbuta's farm.

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- ii) From the calculations in (i) above, state whether Mrs. Mbuta made a profit or a loss. (1 mark)

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7. 2005

- a) What is opening valuation as used in farm account? (1 mark)

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- b) State the use of each of the following financial documents (3 marks)

- i) Cash receipt

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- ii) Purchase order.

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- iii) Delivery note.

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8. 2006 Q16 P1

Give two reasons why farmers keep farm accounts

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9. 2008 Q10 P1

Differentiate between the following terms as use in agricultural economics:

- a) Fixed input and variable input. (1 mark)

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- b) Journal and ledger book. (1 mark)

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10. 2009 Q5 P1

State four financial documents that should be kept on a farm (2 marks)

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11. 2010 Q21 P1

On 1st January 2009, Kaburu Farm started farm operations with Ksh 30,000 cash. During the month, the farm made the following transactions. Study the transactions and prepare a cash analysis for Kaburu Farm for the month of January. (5 marks)

<u>Date</u>	<u>Transaction</u>	<u>Amount (Ksri)</u>
05/01/09	Livestock sales	80,000
08/01/09	Crop sales	50,000
15/01/09	Bought seed for planting	7,500
20/01/09	Paid K.F.A. for fertilizer	16,400
25/01/09	Bought livestock feeds	50,000
30/01/09	Paid wages for planting & weeding	56,000
31/01/09	Received cash from K.C.C. for milk delivery	120,000
31/01/09	Paid transport charges for milk delivery	9,000

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12. 2011 Q8 P1

State the use of the following in farm accounting:

a) Balance sheet:

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b) Inventory;

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c) Cash book;

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13. 2011 Q23 P1

The following information was extracted from Makueni Farm Records for the financial year ending on 30th June 2009. Study it and prepare a profit and loss account for the farm. (3 marks)

- Rent received Sh. 10,000
- Egg sale Sh. 60,000
- Repair of tractor Sh. 30,000
- Opening valuation Sh. 80,000
- Interest on bank loan Sh. 20,000
- Tax paid Sh. 40,000
- Closing valuation Sh. 90,000
- Purchase of farm inputs Sh. 90,000
- Debts receivable from Farmers co-op society Sh. 100,000
- Maize sales Sh. 55,000

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