SIMPLE HAIR AND FUR

Introduction
There are several ways to make hair and fur in Blender’s Internal renderer. I have a guide to the more complex method on YouTube at https://youtu.be/sl6IjPL0Kx4. This uses blend textures and can give very realistic results. However sometimes the simpler method is all that’s needed. This is how you do it.

Technique
We’ll start with a Suzanne monkey head, subdivided to two degrees and with the modifier applied to produce a relatively fine mesh.
Suzanne is covered with white fur - even her eyes - and a new Fur Material appears in the Materials tab.

The fur material is a slightly glossy white; let's edit it to be a dark brown color. Now let's go to the Particle Systems tab.

Let's rename the particle system to be Fur (we may add others later for eyebrows, for example) and then change the Hair Length to 0.200 and the number to 2000.
This is what we get when we render (there is a single point light in front of Suzanne's face with Ambient Occlusion enabled, at around 0.50 power).

You can see that the hairs that face the camera don’t appear and that the distribution is too even. Let’s change the distribution first. With Suzanne selected, go to weight paint mode and add weighting to where you want the hair to be. Disable the visibility of the particle system using the eye icon top right.

Now weight paint where the fur should be. Remember the hotter the color the greater the chance that fur will appear. Dark blue - the original color - indicates zero chance.
Go back to Object mode and the Particle Systems tab. Re-enable visibility of the Fur system. Now go down to Vertex Groups - Density and select your weight painted group (you might want to rename it something suitable in the Object Data tab, but this is not necessary until you’re going to make other vertex groups to control length, for example).

Render again. Much better.

Finally, with Suzanne still selected, go to Particle Edit mode. With the tools in the left fly-in, style the fur. Note that when you do this you will not be able to change some aspects of the particle system such as number of hairs, length, etc without releasing the edit.
There are many tools available in Particle Edit. Experiment with them to see what they can do. Note that the two-color effect above is due to the slight sheen on the hairs. It’s sometimes better to remove all specularity.