12/11/13

B.E./B.Tech. (Full Time) DEGREE END SEMESTER EXAMINATIONS, NOV. 2013
AGRICULTURAL AND IRRIGATION ENGINEERING BRANCH
SEVENTH SEMESTER

23

AI 9401 AGRICULTURAL ECONOMICS AND FARM MANAGEMENT

Time: 3 hr. Max. Marks: 100

Answer ALL Questions

Instructions: (i) Assume any other data, if found necessary.

PART – A (10x2=20 marks)

1. Distinguish between farm management and agricultural management.
2. State how decision making is important in farm management.
3. Write the Cobb-Douglas production function and indicate the parameters.
4. State the condition where the profit of a crop is supposed to be maximum.
5. Highlight the concept of least cost combination of inputs.
6. What is meant by iso-cost line?
7. Quote some of the decisions to reduce risks in crop production.
8. What is meant by single payment present worth factor?
9. Distinguish between income statement and balance sheet.
10. What is meant by Net Capital Ratio?

PART – B (5x16=80 marks)

11. (a) Discuss farm management and relate it to other basic sciences. (8)

    (b) Explain the scope of farm management. (8)

12. (a) Prepare a schedule for a particular crop production and work out the values for total physical product, marginal physical product and average physical product. Draw all the above product curves. (16)

OR

(b)(i) Explain the method of estimating optimum level of input in production maximization approach. (8)

(ii) Explain the law of increasing, diminishing and constant returns. (8)

13. (a)(i) For the level of output 500, determine the optimum combination of inputs if the price of input 1 is Rs. 20/= and the price of input 2 is Rs.30/=. (10)

	Input 2	1	2	3	4	5	6
Input 1	1	450	550	600	400	350	500
	2	400	350	500	650	600	550
	3	350	500	450	550	600	400
	4	350	650	375	400	450	550
	5	650	400	550	600	450	350
	6	500	600	450	550	350	400

(ii) Distinguish between marginal cost and opportunity cost. (6)

OR

(b) Explain the guidelines to be followed for a good interviewing in a farm for effective data collection. (16)

14.(a)(i) Narrate the types of uncertainty in farming. (8)

(ii) Describe the break even procedure applicable to agricultural farm business. (8)

OR

(b) Explain the procedures for rate of return method and benefit cost ratio method to compare project alternatives in discounting techniques. (16)

15.(a)(i) Explain the differences in whole farm planning and partial farm planning. (8)

(ii) Discuss the advantages of cash flow analysis. (8)

OR

(b) Prepare a partial budget for a proposed change of your own and clearly state the expected profit or unexpected loss. (16)