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B.E (Full Time) DEGREE END SEMESTER EXAMINATIONS, MAY 2019
AGRICULTURE AND IRRIGATION ENGINEERING BRANCH

Seventh Semester

AI 8701 AGRICULTURAL ECONOMICS

(Regulation 2012)

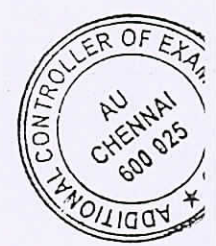
Answer ALL Questions

Max. Marks 100

Time: 3 Hours

PART- A (10 x 2 = 20 Marks)

1. Differentiate the definitions of economics and agricultural economics.
2. State the meaning of agricultural production economics.
3. Distinguish between cardinal and ordinal approach
4. Briefly state the meaning of elasticity of demand.
5. What is meant by equi-marginal utility?
6. State the way to calculate consumer surplus.
7. Define production function and sketch a production function curve.
8. Draw a production possibility curve and indicate its purpose.
9. Comment on the term farm financial analysis.
10. List out the different types of taxation.



PART – B (5 X 16 = 80 Marks)

11. (i) Narrate the scope of agricultural economics. (8)
- (ii) With the above scope, explain in your understanding, the need for studying agricultural economics. (8)
12. (a)(i) Define the law of demand and sketch the demand curve. Distinguish between substitution effect and income effect. (8)
- (ii) Explain the characteristics of utility. (8)

OR

- (b)(i) Explain the term wealth in the context of economics and state the difference between wealth and welfare. (8)
- (ii) Discuss the factors affecting supply. (8)

13. (a) Explain the concept of law of diminishing utility and with the help of a schedule, discuss how it can be interpreted. (16)

OR

- (b)(i) Narrate the different types of cost and highlight the meaning of opportunity cost. (8)
- (ii) Construct a schedule for estimating consumer surplus for an agricultural commodity. (8)
14. (a) The following data refer to the total physical product of variable water. Calculate the marginal physical product and average physical product and draw all the three curves. (16)

Water	15	28	34	48	53	69	75	89	99	115
TPP	155	390	680	980	1215	1270	1270	1215	910	501

OR

- (b)(i) State how to estimate the cost of cultivation of an agricultural crop. (8)
- (ii) Discuss the guidelines to be followed while preparing an interview schedule for a farm visit. (8)
15. (a) Explain the procedure to use various discounting methods for analyzing different agricultural projects. (16)

OR

- (b) Prepare a cash flow analysis and income statement for an agricultural firm. From this, link to the balance sheet for the same firm. Show how the net worth or equity could be measured. (16)

