

**KERALA AGRICULTURAL UNIVERSITY**  
**B.Sc. (Hons.) Agriculture – 2008 Admission**  
**II<sup>nd</sup> Semester Final Examination - September 2009**

Cat. No. : Econ 1201

Max. marks: 80

Title : Principles of Agricultural Economics (2+0)

Time : 3 hours

**I. ANSWER ALL QUESTIONS-**

**20 x 0.5 = 10.00**

**Fill up the blanks**

1. Lionel Robbins defined economics as science of -----.
2. Elasticity of production is equal to MPP by \_\_\_\_\_.
3. Processing of a produce creates ----- utility
4. Modern approach to study economics includes----- and -----economics
5. MU is the change in total utility from -----one more unit of good.
6. Paddy seed is a -----good for farmer
7. When price of a commodity increases, its quantity demanded -----
8. The law of demand is derived from -----law
9. During a period of trade depression there will be ----- in demand
10. National income is equivalent to -----.

**State "True" or "False"**

11. Positive science does not explain the real picture of a subject
12. Anything we desire is a want.
13. Marshall said the law of diminishing marginal utility does not apply to money.
14. Income is expressed in terms of money is called as real income.
15. Demand for timber varies indirectly with its price.
16. If the MU from the commodity is greater than price to pay , he will buy more of the commodity
17. The level of consumer satisfaction for different indifference curves are different
18. Engel law helps in wage fixation.
19. Consumer surplus for imported goods will be larger.
20. The income from renting a harvesting machine is called as quasi rent.

**II. WRITE ANSWERS IN A WORD OR SENTENCE / DEFINE (ANSWER All)**

**10 X 1 = 10**

- |                           |                          |
|---------------------------|--------------------------|
| 1. Agricultural Economics | 6. Inflation             |
| 2. Indifference curve     | 7. Quasi rent            |
| 3. Economics              | 8. Budget line           |
| 4. Consumer surplus       | 9. Entrepreneurship      |
| 5. Law of supply          | 10. Elasticity of demand |

**III. WRITE SHORT NOTES / ANSWERS (ANY TEN)**

**10 X 2 = 20**

1. Pigou effect
2. Progressive and regressive taxation
3. Marginal productivity theory of wages
4. Real income and money income.
5. GNP and NNP.
6. Perfect and imperfect markets
7. Capital and Wealth
8. Proportionate method and total outlay method
9. Importance of forestry in Indian economic development
10. State the law of equimarginal utility
11. Liquidity trap
12. Public finance
13. Stagflation

**IV. WRITE SHORT ESSAYS ON ANY FOUR OF THE FOLLOWING**

**4 X 5 = 20**

1. Derive the law of demand curve from the law of diminishing marginal utility curve.
2. What is division of labour? List out its advantages and disadvantages.
3. Explain the characteristics of different forms of organization.
4. Explain the characteristics of different market structures
5. What are the theories of interest? explain the modern theory of interest
6. State the welfare economics with recent developments in agriculture

**V. WRITE ESSAYS ON ANY TWO**

**2 X 10 = 20**

1. What are the different theories of rent? Explain the modern theory of rent
2. Mixed economy is better than other types of economies-Substantiate
3. Explain in detail about national income and accounting

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