KERALA AGRICULTURAL UNIVERSITY

B.Sc Hons (Ag) 2011 Admission
IV th Semester Final Examination- August-2013

Cat. No: Econ.2203   **Marks: 80**

Title: Production Economics & Farm Management (1+1)   **Time: 3 hours**

I A. Choose the correct answer   (10 X 1 = 10)

1. A person who organizes, operates and takes responsibility for a farm business

     a. Farm manager   b. Farm Entrepreneur   c. Farm Executive   d. Farm Worker

2. Variable costs per unit of output

     a. Marginal cost   b. Added cost   c. Average total cost   d. Average variable cost

3. Curve showing the various combinations of two products at a given resource level

     a. Iso resource curve   b. Iso product curve   c. Iso revenue line   d. Isoquant

4. The time taken for an investment to be returned to the investor

     a. Life period   b. Pay back period   c. Gestation period   d. Crop duration

5. Marginal rate of product substitution for complimentary product is

     a. One   b. > 1   c. < 1   d. Zero

I B. Indicate True or False

6. Inflexion point occurs in the stage I of production function

7. Elasticity of production is the ratio between average product and marginal product

8. Profit maximization point and product maximum point are same.

9. Least cost combination is where MRS = Price ratio

10. Isoquants are downward slopping curves

II. Write Short notes (Any TEN)   (10 X 3 = 30)

     1. Cost of cultivation and Cost of production
     2. Economies and diseconomies of scale
     3. Explicit costs and Implicit costs

4. Flow resources and stock resources
5. Iso resource curves and iso product curves
6. Profit maximization and Loss minimization
7. Agrl production Economics and Farm management
8. Product curves and cost curves
9. Iso clines and ridge lines
10. Net present worth and BC Ratio
11. Net farm income and Farm investment income
12. Specialization and diversification

III. Explain briefly the following (Any SIX) $(6 \times 5 = 30)$

1. Typical farm management decisions
2. Types of enterprise relationships
3. Law of Equi marginal returns
4. Cost function and cost curves
5. Declining balance method of computing depreciation
6. Valuation of farm land
7. Cooperative farming and Capitalistic farming
8. Risk and uncertainties in farming

1V. Write essay (Any ONE) $(1 \times 10 = 10)$

1. What is farm planning? Explain the steps in farm planning process. Discuss the characteristics of a good farm plan.
2. What is meant by capital productivity analysis? Explain the different methods of financial analysis.