KERALA AGRICULTURAL UNIVERSITY

B.Sc (Hons.) Ag. 2012 Admission
IV th Semester Final Examination- August-2014

Cat. No: Econ.2203	Marks: 80
Title: Production Economics & Farm Management (1+1)	Time: 3 hours

I A. Multiple – choice questions: Tick the correct answer   (5x1=5)

1. All the following curves are U shape except one.
   a) AVC curve   b) AFC curve   c) AC curve   d) MC curve

2. All the cash expenses can be regarded as
   a) Implicit   b) Opportunity costs   c) Explicit costs   d) Social cost

3. Factor-factor relationship deals with the following curve.
   a) Expansion path   b) Iso-cost   c) Iso-quant   d) All these three.

4. Which of the following cost curves cuts marginal costs curve from below at its lowest point.
   a) AVC curve   b) TFC   c) AFC   d) Both a and b

5. Product-product relationship is explained with the help of
   a) Production possibility curve b) Iso-quant c) Variable cost curve d) All of these

B. Match the following   (5x1=5)

6	Elasticity of production	a)	$\dfrac{TFC}{Y}$	_____
7	Marginal product	b)	$\dfrac{TC}{Y}$	_____
8	Average Total cost	c)	$\dfrac{Px}{MP}$	_____
9	Average Fixed cost	d)	$\dfrac{MP}{AP}$	_____
10	Marginal cost	e)	$\dfrac{\Delta Y}{\Delta X}$	_____

II. Write short answer on any Ten of the following   (10x3= 30)

a) Fixed and variable costs
b) Difficulties in maintenance of farm records
c) Complementary products
d) Properties of Iso-quant
e) Advantages of large size farms
f) Opportunity cost
g) Iso clines and ridge lines
h) Cost accounting method and survey method of data collection
i) Cash-cost and non cash cost items
j) Risk and uncertainity
k) Mixed farming
l) Production and organizations decisions in farm management

III. Write short essays on any Six of the following   (6x5= 30)

a) Write the relationships between farm management and production economics
b) Why farm planning is necessary?
c) Specialize farming and diversified farming
d) Algebraic method of determination of optimum product combination
e) Explain constant marginal rate of returns and increasing marginal rate of return
f) Define depreciation and explain with the help of straight line method and sum of the years digit method.
g) Discuss compounding and discounting with formula
h) Explain farm management problems in India

IV.1 Draw a neat diagram depicting law of diminishing marginal returns using TP, AP and MP curves. Indicate the three zones elasticity of production, inflection point and explain the rational and irrational zones.   (10x1=10)

Or

2. Define factor-factor relationship .Explain the various types with appropriate diagrams.