

KERALA AGRICULTURAL UNIVERSITY
B.Sc. (Hons.) Agriculture – 2007 Admission – IVth Semester
Final Examination - July/August 2009

Cat.No. : Econ 2203
Course : Production Economics and
Farm Management (1+1)

Max. marks: 80
Time : 3 hours

I) Fill up the blanks /state true or false (10 x 1 = 10)

1. Farm management is related to _____ farm science.
2. The inflection point on TPP curve corresponds to the maximum of _____ curve.
3. At the end of the first stage of production, average cost curve and marginal curve _____ each other.
4. If two products are competitive, then their marginal rate of substitution is-----
5. If NPV=0, then rate of return is called as -----
6. Cost of cultivation and cost of production of agriculture crop refers to same meaning .(T/F)
7. Expansion path is one of the isoclines. .(T/F)
8. Normally the isoquant curves slope downwards. .(T/F)
9. Elasticity of production is always less than zero in the production stage III.
10. The technological improvements in the production of crop shifts its production function towards left from its original position .(T/F)

II) Write short notes /answers etc on any ten (10 x 3 = 30)

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| 1. Return to scale | 2. Opportunity cost |
| 3. Principle of resource substitution | 4. Principle of equi-marginal returns |
| 5. Importance of farm management | 6. Least cost combination |
| 7. Systems of farming | 8. Principle of profit maximization |
| 9. Marginal rate of technical substitution | 10. Principle of enterprise competition |
| 11. Law of diminishing returns | 12. Elasticity of production |

III) Write short essays on any six of the following (6 x 5= 30)

1. Briefly explain the various project evaluation techniques.
2. Role of partial budgeting technique in farm management
3. Impact of technology in agricultural production.
4. Isoquant curve and production probability curve.
5. Explain the steps involved in planning and preparation of farm plan.
6. Supplementary enterprise and complementary enterprise.
7. Depreciation and appreciation.
8. Specialization and diversification of farm enterprises.

IV) Write Essay on any one (1 x 10 = 10)

1. Explain the classical production function with the help of a diagram and discuss the three regions of production. Which stage is rational and why?
2. a) What are the important assumptions that are basic to the statement of the production function?
b) What is meant by the term joint production? Give an example for joint production with technically fixed proportions and one with variable proportions.
