

KERALA AGRICULTURAL UNIVERSITY
B.Sc. (Hons.) Agriculture – 2008 Admission - IVth Semester
Final Examination – July-August 2010

Cat. No. : Econ 2203

Max. marks: 80

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

I A. Fill up the blanks

(6x1=6)

- 1) A farm is socio economic as well as _____ making unit.
- 2) When the Total physical Product (TPP) curve is maximum. The marginal physical product (MPP) curve is _____
- 3) Factor – factor analysis is mainly concerned with _____ combination of inputs.
- 4) Decline in the value of assets due to usage is known as _____
- 5) _____ production function is popularly used in agricultural economics
- 6) Law of diminishing returns explains the _____ relationship

B. Match the following

(4x1=4)

- | | |
|---------------------------|--|
| a) Least cost combination | a) $\frac{P_X}{MP}$ _____ |
| b) Average variable cost | b) $\frac{\Delta Y}{\Delta X}$ _____ |
| c) Marginal cost | c) $\frac{\Delta X_2}{\Delta X_1} = \frac{P_{X_1}}{P_{X_2}}$ _____ |
| d) Marginal product | d) $\frac{P_X}{AP}$ _____ |

II. Write short answer on any Ten of the following

(10x3= 30)

- a. Net present worth with formula
- b. Steps in Farm planning and budgeting
- c. Collective farming
- d. Joint product and supplementary
- e. Constant rate of factor substitution
- f. Characteristics of production possibility curve
- g. Explicit and implicit costs
- h. Marginal cost and average cost with formula
- i. Elasticity of production with formula
- j. Law of equimarginal returns
- k. Declining balance method of depreciation with formula
- l. Importance of enterprise budgeting

III. Write short essays on any Six of the following

(6x5= 30)

- a. Partial budgeting with the help of debit and credit side
- b. Relationship between Total Product (TP), Average Product (AP) and Marginal Product (MP)
- c. Steps in capital budgeting
- d. Advantages of farm records
- e. Types of factor-factor relationships constant, increasing, diminishing rate of substitution
- f. Characteristics of farm management
- g. Administrative and marketing problem decisions
- h. Farm management problems in India

IV. Write essay on any ONE

A. Explain different types of farming

(10x1=10)

Or

B 1. Define product-product relationships.

2. Explain three types of the following relationships between 2 products.

- a) Constant rate of substitution
- b) Increasing rate of substitution
- c) Decreasing rate of substitution

3. Profit rule, Iso-revenue line, Ridge line - Explain