

KERALA AGRICULTURAL UNIVERSITY
B.Sc. (Ag) Supplementary Examination July 2008

Econ 2102
Farm business management (2+1)

Max. Marks: 60
Time: 2½ hours

PART - A

Answer the following

(20x0.5=10 marks)

Fill in the blanks of the following:

- A1. _____ is a piece of land where crops and livestock enterprises are taken up under common management
- A2. The mathematical representation of input-output relationship is known as _____
- A3. _____ is not a discounted cash flow technique
- A4. The financial outlay of money for productive services is known as _____
- A5. The inputs which have zero substitutability is known as _____

State True (or) False

- A6. In the III region of classical production function, APP is positive.
- A7. Quadratic form of production function allows negative marginal productivity.
- A8. Crop insurance is an example for avoidance of risk in farming.
- A9. Cash outflows are returns to the project.
- A10. Income statement is prepared at regular intervals in a year.

Answer in one word:

- A11. The combination of two inputs which give the same level of output.
- A12. It is the farming method useful for income stabilization rather than profit maximization
- A13. The procedure used to compute the present value of future sum is known as
- A14. Percentage change in output as a result of a percentage change in input
- A15. When the probability of occurrence of an event is unknown it is called as

Choose the correct answer:

- A16. The economies which accrue to each member firm as a result of expansion of the industry as a whole
a) Internal economies b) External economies c) None of these
- A17. In the classical production function, when MPP is greater than APP, APP must be
a) Increasing b) Decreasing c) Zero
- A18. In L shaped isoquant the relationship between inputs is
a) Complementary b) Supplementary c) None of these
- A19. Indirect cost includes expenditure on
a) Labor b) Interest on fixed assets c) Seed
- A20. Product – Product relationship is concerned with
a) How much to produce b) How to produce c) what to produce

Part B

Write short notes in one or two sentences

(14 x 1 = 14 marks)

- B1. Flow resources
- B2. Depreciation
- B3. Gross margin
- B4. Technical efficiency
- B5. Opportunity cost principle
- B6. Marginal cost
- B7. Economies of size
- B8. Isoclines
- B9. DMS
- B10. Break even point
- B11. Production possibility curve
- B12. Contract farming
- B13. Risk
- B14. Budgeting

Part - C

Write short notes on any eight questions only (8 x 2 = 16 marks)

- C1. Law of diminishing marginal return
- C2. Enterprise budgeting
- C3. Economics of scale
- C4. Cropping intensity
- C5. Deprecation methods
- C6. Balance sheet
- C7. Labour use efficiency
- C8. Importance of farm record maintenance
- C9. Time value of money
- C10. Farm management functions proposal by Nielson.

Part - D

Answer any five questions only (5x4=20marks)

- D1. Discuss in detail about the functional relationship of farm management with other sciences.
- D2. Explain the law of Equi-marginal returns principle with the help of a suitable example.
- D3. Explain in detail about difference kinds of cost and how to you find the optimum level of output.
- D4. Discuss in detail the product - product relationship and the procedure to obtain optimum combination of products.
- D5. What are the different types of risks in farming and discuss the measures to overcome risk.
- D6. What is farm planning? Explain the objectives and advantages of farm planning.