KERALA AGRICULTURAL UNIVERSITY
B.Sc. (Hons.) Agriculture – 2009 Admission - IInd Semester
Final Examination - August 2010

Cat. No. : Econ 1201
Title : Principles of Agricultural Economics (2+0)

Max. marks: 80
Time : 3 hours

I.   Fill up the blanks   (20 x 0.5 = 10)

1.   Indifference curves are _____ to the origin.
2.   The cross price elasticity is negative for _____.
3.   Want satisfying power of commodity is ____.
4.   Destruction of utility is _____.
5.   Income effect is _____ in the case of normal good.

Match the following

6.	Time utility	....	a.	Substitutes
7.	Price of a commodity	....	b.	Change in demand
8.	Price theory	....	c.	Exchange function
9.	Form utility	....	d.	Storage
10.	Income theory	....	e.	Transportation
11.	Place utility	....	f.	Change in quantity demanded
12.	Population, climate	....	g.	Processing
13.	Tea and coffee	....	h.	Micro economics
14.	Possession utility	....	i.	Complements
15.	Paper, pen and ink	....	j.	Macro economics

State True or False:

16.   Economics is a science of choice (True/False)
17.   Normative economics deals with what it is (True/False)
18.   Money transfers value (True/False)
19.   Interest is the price paid for the use of capital used in the production process (True/False)
20.   The processes of buying and selling constitute exchange (True/False)

II.   Write answers in a word or sentence: (10 x 1 = 10)

1.   Cardinal utility
2.   Elasticity
3.   Micro economics
4.   Mixed economy
5.   Need
6.   Production
7.   Market
8.   Money
9.   Price
10.   Product

III. Write short notes/answers, etc. on ANY TEN: (10 x 2 = 20)

    1. Derived demand
    2. Functions of money
    3. Law of supply
    4. Point elasticity
    5. Oligopoly
    6. Deductive method
    7. Marginal utility
    8. Cost
    9. Marginal revenue
    10. Average cost
    11. Production
    12. Rent

IV. Write short essays on ANY FOUR of the following: (4 x 5 = 20)

    1. Properties of indifference curve
    2. Malthusian theory of population
    3. Characteristics of perfect competition
    4. Marginal productivity theory of wages
    5. Law of diminishing marginal utility
    6. Law of supply

V. Write essays on ANY TWO of the following: (2 x 10 = 20)

    1. What is meant by division of labour? Briefly discuss its advantages and disadvantages.
    2. Define elasiticity of demand. Distinguish between price elasticity, income elasticity and cross elasticity of demand. Discuss the factors that determine elasticity of demand.
    3. Define consumer surplus. Explain the importance of consumer surplus and its relevance for policy making.

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