

**KERALA AGRICULTURAL UNIVERSITY**  
**B.Sc (Hons.) Agriculture – 2010 Admission III<sup>rd</sup> Semester**  
**Final Examination – January / February 2012**

Title : Econ. 2102

Marks : 80

Course : Agricultural Finance and Co-operation (1+1)

Time : 3 Hours

**I. State TRUE or FALSE:**

(10 x 1 = 10)

1. Farm financial management is quite distinct from farm management.
2. The principle of production is one of the Ps of credit.
3. Short term agricultural loans are generally given to meet the annual recurring purchases of inputs.
4. The usual time limit for repayment of short term loans is 12 months.
5. Time classification of credit is based on the time taken by the lending agency to disburse credit.
6. In the case of hypothecated loans, the legal ownership of the asset financed remains with the lender.
7. Crop loans from institutional agencies are expected to be unsecured loans.
8. 'Neither a borrower, nor a lender be; for borrowing blunts the edge of husbandry'
9. Before social control and nationalization of major (14) commercial banks, banks were not financing agriculture.
10. The Crop Insurance Scheme now in operation in the country is called National Agricultural Insurance Scheme.

**II. Write short notes on ANY TEN of the following:**

(10 x 3 = 30)

1. Distinguish between short-term and medium term credit, with examples.
2. Distinguish between mortgage and hypothecation, with examples.
3. Distinguish between self-liquidating and non-self-liquidating loans, with examples.
4. Distinguish between direct and indirect agricultural finance.
5. Distinguish between micro and macro agricultural financial management.
6. 'Credit supports the farmer as the hangman's rope supports the hanged'
7. Distinguish between production credit and investment credit, with examples.
8. Marketing credit
9. Distinguish between secured and unsecured credit.
10. Distinguish between outstanding and over dues.
11. Co-operatives were considered ideal institutions for agricultural credit. Why?
12. Justification and purpose of refinancing.

**III. Write short essays on ANY SIX of the following:**

(6 x 5 = 30)

1. Role and importance of agricultural finance.
2. Classification of agricultural credit based on time.
3. Circumstances leading to the nationalization of 14 major commercial banks.
4. Five Cs of credit
5. Any three Ps of credit

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6. Amortised repayment plans.
7. Lead Bank Scheme
8. Institutional structure and functioning of long-term co-operative agricultural credit.

**IV. Write an essay on ANY ONE of the following: (1 x 10 = 10)**

1. Regional Rural Banks
2. NABARD

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