

# KERALA AGRICULTURAL UNIVERSITY

B.Sc. Hons (Ag) 2011 Admission  
II<sup>nd</sup> Semester Final Examination, August 2012

Cat. No: Econ.1201

Title: Principles of Agricultural Economics (2+0)

Marks: 80

Time: 3 hours

## I. Fill up the blanks

(10 x 1 = 10)

1. .... is the basic producing unit
2. A consumer gets maximum satisfaction when he is in .....
3. Bank money refers to bank.....
4. Utility, ..... And transferability are the three attributes of value
5. Demand for ultimate object is ..... demand
6. Main functions of the entrepreneur are .....
7. Economic rent equals actual earning minus.....
8. ....expresses value in terms of money
9. Indian money standard is ..... standard
10. Taxes imposed on goods and services is ..... tax

## II. Write answers on (ANY TEN)

(10 x 3 = 30)

1. Explain why you regard both Marshall's and Robbin's definition of Economics as unsatisfactory. Give what you consider as a satisfactory definition.
2. What do you mean by movement along the supply curve and shift in supply curve? Explain the difference between the two with the help of diagram
3. Define National income. Explain the expenditure method of calculating national income
4. What do you mean by elasticity of demand? How elasticity of demand is measured?
5. Define land. How does it differ from capital?
6. What do you mean by the term 'efficiency of labour'? Explain the factors which affect the efficiency of labour
7. Define money. What are the primary functions of money?
8. Distinguish between public finance and private finance
9. What are the chief characteristics of wealth? Indicate the relation between wealth and welfare.

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10. Distinguish between inflation and deflation. What are the causes of inflation?
11. Define interest. Distinguish between gross interest and net interest.
12. Write short notes on Welfare Economics.

**III. Write answers on ANY SIX of the following**

**(6 x 5 = 30)**

1. Define Agricultural Economics. Discuss the scope and importance of Agricultural Economics
2. What is meant by standard of living? Explain Engle's law of consumption
3. Give the main characteristics of human wants. What is their importance in Economics.
4. What is the Law of Equi-Marginal utility? Explain with the help of a diagram and table
5. Explain the concept of Consumer's surplus and point out its importance
6. What are factors of production? Explain their role in the process of production
7. Define the term demand as used in Economics. What are the exceptions of the law of demand
8. Define capital formation. What are the factors on which capital formation in a country depends?

**IV. Write essay on ANY ONE**

**(1 x 10 = 10)**

1. State and Explain the Law of Diminishing Marginal utility giving illustrations. Write a brief note on the importance of this law.
2. What are taxes? Distinguish between Direct and indirect taxes. Give their relative merits and demerits.