KERALA AGRICULTURAL UNIVERSITY

B.Sc (Hons.) Ag. 2013 Admission

IVth Semester Final Examination- July/August-2015

Cat. No: Econ.2203   **Marks: 50**

Title: Production Economics and Farm Management (1+1)   **Time: 2 hours**

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1 A. Choose the correct answer   (10 X 1 = 10)

1. The principle used under limited capital situation

   a. Law of Equi marginal returns   b. Law of Diminishing marginal returns

   c. Law of resource substitution   d. Law of variable proportions

2. Curve showing the various combination of two resources at a given output level

   a. Iso resource curve   b. Iso revenue line   c. Iso cost curve   d. Isoquant

3. An example for implicit cost

   a. Fixed cost   b. Cost of seed   c. Family labour cost   d. Land tax

4. The value of elasticity of production when marginal product is zero

   a. One   b. Zero   c. > 1 d. < 1

5. A line which passes through the point of tangency of different isoquants and isocost lines

   a. Isocline   b.Ridge line   c. Price line   d.Expansion path

I B. Indicate True or False

6. In a short run period all costs are variable

7. Marginal rate of substitution is the ratio between change in replaced resources to change in added resources

8. Marginal cost is the cost for each additional unit of input

9. Iso revenue line is the line showing the various combinations of two products at same total revenue

10. Family labour income is the difference between Gross income and Cost A

II Write short notes on any FIVE   (5 x 2=10)

1. Partial budgeting and Complete budgeting
2. Agricultural production economics
3. Compounding and discounting
4. Marginal rate of substitution and Elasticity of production
5. Strategic decisions and operational decisions
6. Prime costs and overhead costs
7. Iso-revenue line and Iso-cost line

III Write short notes on any FIVE   (5 x 4=20)

1. Valuation of farm buildings
2. Cost concepts and income measures
3. Characteristics of a good farm plan
4. Sum of the year method of compounding depreciation
5. Principle of enterprise combination
6. Specialization and diversification
7. Internal rate of return and B-C ratio

IV Write essay on ANY ONE   (1 x10=10)

1. Define types and systems of farming? Discuss the different types and systems of farming .What are the advantages and limitations
2. What do you understand by production function .Explain the stages of production function with illustrations and diagrams. How will you find out the profit maximization point

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