

KERALA AGRICULTURAL UNIVERSITY

B.Sc.Hons (Ag) Degree Programme 2014 Admission
IVth Semester Final examination – July 2016

Cat. No: Econ 2203

Marks: 50.00

Title: Production Economics and Farm Management (1+1)

Time: 2 hours

I Answer all the questions.

(10 x 1=10)

Fill up the blanks

1. The ratio of MPP to APP is called _____
2. _____ costs do not vary with the level of production.
3. Decrease in long-run average costs as a result of increase in size of the firm is called _____
4. The decision rule for least-cost combination of inputs in production is _____
5. Two products are referred as _____ if increase in production of one product result in increase in other product also.

State True or False

6. In stage-1 of the classical production function, MPP is less than APP.
7. Law of variable proportions describes the long-run analysis of production.
8. The simple rule for optimum input use in production is that the value of marginal product should be equal to price of output.
9. $MRS_{X_1X_2} = \Delta X_2 / \Delta X_1$
10. The supply curve is the portion of the marginal cost curve above average variable cost.

II Write short notes on any five questions

(5 x 2= 10)

1. Illustrate the different cost curves with a graph.
2. Differentiate cost of cultivation and cost of production.
3. Explain dry farming and specialized farming.
4. Distinguish between joint products and complementary products.
5. Net present worth.
6. Differentiate APP and MPP.
7. Opportunity cost.

III Write short Essays on any Five questions

(5 x 4=20)

1. Differentiate enterprise budget and partial budget.
2. Explain the impact of technological change on production function.
3. Explain the different types of relationships between products.
4. Explain product-product relationship and derive the rule for optimum combination of enterprises?

5. What do you understand by time value of money? How time value of money is accounted?
6. Compare and contrast profit maximization and loss minimization.
7. Define depreciation. Explain any two methods for calculation of depreciation.

IV Write essay on Any ONE

(1 x 10=10)

1. Define the law of diminishing marginal returns. Explain the three zones of production function with illustration. Why zone II is called rational zone?
2. What is farm plan? Discuss in detail the steps involved in farm planning and budgeting.

(2 x 10)

(2 x 4=8)

1. Explain the different types of relationships between products.
2. Explain the impact of technological change on production function.
3. Differentiate between budget and profit budget.

continued