

KERALA AGRICULTURAL UNIVERSITY

B.Sc.Hons (Ag) Degree Programme 2014 Admission

IVth Semester Final examination – July 2016

Cat. No: Econ 2203

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

Marks: 50.00

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. $MRS_{X_1 X_2} = \Delta X_2 / \Delta X_1$
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.
