

**B.Sc. (Ag.) Honours Semester-II Examination, 2017**  
**Course No: AEC-121 (Principles of Agricultural Economics)**

Signature of Centre Superintendent

**Roll No. :** (in figure) \_\_\_\_\_ (in words) \_\_\_\_\_

Student Index No. \_\_\_\_\_ Regn. No. \_\_\_\_\_ of \_\_\_\_\_

**Time : Two Hours**

**Full marks : 60**

Questions are of value as indicated in the margin

**Part - I**  
**(Objective and Short Answer Type)**  
**(Use only ball point pen)**

**Time : 30 minutes**

**Full marks : 20**

- Note:** 1. Answer in question paper itself.  
2. Striking, rewriting or overwriting are not allowed in the objective type questions.

1. **State True (T) or False (F) in respect the following statements (any five):** 1×5=5

- (i) Personal Income Tax is a kind of direct tax.
- (ii) Free goods are those having only use value.
- (iii) Production deals with the rewards offered to the various factors of production.
- (iv) Cross Elasticity of Demand for complementary goods are positive.
- (v) In India, the current contribution of agriculture in the GDP is more than 20%
- (vi) The problem of double counting can be avoided in the value added method.
- (vii) RBI has the supreme authority in formulating fiscal policy in India,

2. **Fill up the blanks with most appropriate words (any five):** 1×5=5

- (i) Disposable Income = Personal Income - \_\_\_\_\_.
- (ii) Price is the \_\_\_\_\_ expressed in terms of money.
- (iii) *Laissez Faire* means \_\_\_\_\_.
- (iv) If  $NNP_{MP} = 1220$ ; Total Subsidy = 30 and Total Indirect Tax = 80; then  $NNP_{FC} =$  \_\_\_\_\_
- (v) \_\_\_\_\_ is a process of transforming input(s) into output(s).
- (vi) \_\_\_\_\_ = Consumer surplus + Producer surplus.

3. **Tick (✓) the correct alternatives (any five) :** 1×5=5

- (i) The book 'Arthasastra' was written by –  
(a) Adam Smith (b) Aristotle (c) Kautilya (d) Samuelson
- (ii) Which does not hold true for economics?  
(a) Positive Science (b) Normative Science (c) Exact Science (d) Social Science
- (iii) Demand for staple foods like rice is normally –  
(a) Elastic (b) Inelastic (c) Unit elastic (d) Perfectly inelastic

(2)

(iv) Which school of economic thought ruled out role of government in economic affairs?

(a) Marxian (b) Keynesian (c) Classical (d) All of the above

(v) Which is not a demand shifter?

(a) Price (b) Income (c) Taste (d) None of the above

(vi) When supply changes due to fall in input price, it is known as \_\_\_\_\_ in supply.

(a) Expansion (b) Contraction (c) Increase (d) Decrease

4. Write full forms (any five) of the followings :

1×5=5

(i) GST =

(ii) NITI =

(iii) VAT =

(iv)  $NNP_{FC}$  =

(v) GNP =

(vi) WPI =

**B.Sc. (Ag.) Honours Semester-II Examination, 2017**

**Course No: AEC-121**

**(Principles of Agricultural Economics)**

**Part - II  
(Descriptive Type)**

**Time : 90 Minutes**

**Full marks : 40**

Questions are of value as indicated in the margin

**Answer *any four* questions.**

5. Define economics and explain its nature. With a suitable diagram, briefly discuss the functioning of an economy through production, consumption, distribution, and exchange. 4+6=10
  6. Define consumer demand and producer's supply. How are they different from market demand and market supply, respectively? With suitable diagram, explain the process of price determination in the market. Show the possible impact of changes in consumer's income and input prices on equilibrium price. 3+2+2+3=10
  7. What is national income? What are the various concepts of national income? Discuss the various methods of estimating national income. Enumerate problems of estimating national income in developing countries. 2+2+4+2=10
  8. Define production. What is the concept of labour in production economics? How entrepreneur is different from labour? Briefly discuss the factors influencing efficiency of labourer. 2+2+1+5=10
  9. Distinguish between the following (**any five**) : 2×5=10
    - (a)  $NNP_{FC}$  vs  $NNP_{MP}$
    - (b) Economic good vs Free good
    - (c) Micro-economics vs Macro-economics
    - (d) Expansion in demand vs Increase in demand
    - (f) Demonetization vs Devaluation (of currency)
    - (g) Monetary Policy vs Fiscal Policy
  10. Write short notes on **any five** of the followings : 2×5=10
    - (a) Elasticity of demand
    - (b) Consumer Surplus
    - (c) Welfare Economics
    - (d) Cannons of taxation
    - (e) Inflation and its causes
    - (f) Public Finance
    - (g) Law of diminishing marginal utility
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