## B.Sc. (Ag.) Honours Semester-III Examination, 2014
## Course No: AEC-211 (Agricultural Finance and Cooperation)
## (New Syllabus)

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| Signature of Centre Superintendent |

**Roll No. :** (in figure) ____________________ (in words) ____________________

Student Index No. ____________________ Regn. No. ____________ of ____________

**Time : Two Hours** **Full marks : 40**

Questions are of value as indicated in the margin

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

**Time : 20 minutes** **Full marks : 10**

**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 :**
   (i) Loan required for establishment of a cold storage is a medium-term loan. [ ]
   (ii) The fundamental problem of agricultural credit is to increase the income of farmer, improve their capacity to repay and raise their standard of living. [ ]
   (iii) Consumption loan can also be considered as production loan for small and marginal farmers. [ ]
   (iv) Uncertainty in agriculture can be measured but risk has no measuring rod. [ ]
   (v) Term loan or investment loan constitutes on medium and long term loan. [ ]

2. **Fill up the blanks with most appropriate words:**
   (i) In practice, credit refers to ______________________________.
   (ii) Self-Help Groups (SHGs) give ____________________ finance to its members.
   (iii) In agri-business, credit (fund) is required for ______________________________.
   (iv) A Regional Rural Bank (RRB) gets fund from ______________________________.
   (v) Conversion of present value into future value is called ______________________________.

3. **Tick ( √ ) the correct alternatives :**
   (i) The ability of farmer to withstand the risk that arises due to financial loss is called (a) repaying capacity (b) risk bearing ability (c) business strength (d) big merchant.
   (ii) Farm finance is an applied science of allocating (a) financial resources to agricultural sector (b) agricultural raw materials only (c) money only (d) capital only
   (iii) Full repayment of loan within a year or crop year is called (a) partially liquidating loan (b) self-liquidating loan (c) amortization of loan (d) outstanding of loan
   (iv) It indicates the difference between assets and liabilities (a) net present value (b) net return (c) net worth (d) net deficit
   (v) This bank refinances to other banks and organizations for agriculture and rural development in India (a) Regional Rural Bank (b) Reserve Bank of India (c) AFC (d) NABARD

3. **Expand the following :**

(i) NAIS =

(ii) KCC =

(iii) PACS =

(iv) NCDC =

(v) MFIs =

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**Part - II**

**(Descriptive Type)**

**Time : 100 Minutes** **Full marks : 30**

Questions are of value as indicated in the margin

**Answer *any three* questions from the following :**

5. State the reasons for requirement of credit for modernization of Indian agriculture. What do you mean by production credit and consumption credit? Write the advantages and disadvantages of institutional and non-institutional sources of agricultural credit in India. 3+2+2.5=7.5

6. What do you mean by feasibility test of credit? State how repaying capacity of poor farmers can be raised. Distinguish between self-liquidating loan and partially liquidating loan with suitable examples. 3+2.5+2=7.5

7. Distinguish between risk and uncertainty in agriculture. How risk in agriculture can be minimized? Write a short note on crop insurance in India in light of National Agricultural Insurance Scheme. 2+2+3.5=7.5

8. Define cooperative. What are the basic principles of a cooperative? Write down the role of cooperative in financing Indian agriculture with special reference to PACS. 1+2.5+4=7.5

9. State the reasons for bank nationalization in India. "NABARD is a refinancing institute"- justify the statement. Write a short note on role of micro-finance in India. 2+4+1.5=7.5

10. Write short notes on **any three** : 2.5×3=7.5

    (i) Discounting and compounding

    (ii) Lead Bank Scheme

    (iii) Constraints to rural credit in India

    (iv) Classification of credit based on repayment time

    (v) Suggestions for improvement of cooperatives

    (vi) Self-Help Groups