B.Sc. (Ag.) Honours Semester-VI Examination, 2019

Course No: AEC-321 (Production Economics and Farm Management)

Signature of Centre Superintendent

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

Student Index No. _____________________ Regn. No. ____________ of _____________

Time : 2 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) (*any six*):** 0.5×6=3

   (a) The cost of self-owned or self-employed resources is known as explicit cost. ☐

   (b) Production economics is concerned with technical efficiency of resources. ☐

   (c) When two products substitute at constant rate, it is advisable to the farmer to go for diversification. ☐

   (d) MRPS is negative for complementary products. ☐

   (e) The point on TPP curve which corresponds to maximum MPP dictates the end of Zone-I of classical production function. ☐

   (f) 'How to produce' implies Factor-Product relationship. ☐

   (g) Returns to scale is a short run phenomenon. ☐

   (h) When MR exceeds MC then the production strategy of the farmer is to decrease production. ☐

2. **Fill in the blanks: (*any six*):** 0.5×6=3

   (a) A new technology employed in production programme found futile, then the production function shifts _________________________.

   (b) Mathematical expression of Cobb-Douglas production function for only two variables is ____________________________.

   (c) The valuation of land is assessed by _________________________ method.

   (d) The system of records written to furnish the history of farm financial transaction is known as ____________________________.

   (e) Joint cultivation in leased in land is termed as _____________________________________.

   (f) A constant rate of depreciation is charged every year in ______________________________method.

   (g) An imperfect knowledge situation for which indemnities are not paid is known as _______________.

   (h) The excess of output over break even output of the farm business is termed as _____________________________.

P.T.O.

3. **Tick (√) the correct alternative (*any eight*):** 0.5×8=4

(a) If MRTS < price ratio then cost can be decreased by using less of ______________________.

(i) Added product (ii) Replaced product (iii) Added resource (iv) Replaced resource

(b) The measure indicating earning capacity of a project is termed as ______________________.

(i) Pay-back period (ii) Net Present worth (iii) B-C ratio (iv) Internal rate of return

(c) Production possibility curve is convex to origin when products substitute at ______________ rate.

(i) Increasing (ii) Decreasing (iii) Invariable (iv) Constant

(d) Which of the following is the precursor of Marginal Cost?

(i) Fixed cost (ii) Variable cost (iii) Opportunity cost (iv) All of these

(e) Law of variable proportion is applied in ______________ production system.

(i) Short run (ii) Long run (iii) Both i and ii (iv) None of these

(f) Agronomic maxima coincides with economic optima when ____________________.

(i) MPP=APP (ii) MPP=0 (iii) TPP=0 (iv) Input is free

(g) Which of the following is a double loss zone of production?

(i) Zone I (ii) Zone ii (iii) Zone III (iv) None of these

(h) The economic optimum point in production economics is ______________________.

(i) MR=MC (ii) MVP=MFC (iii) MPP=APP (iv) TPP is maximum

(i) 'L' shaped isoquant is obtained in case of _____________________ product.

(i) Complementary (ii) Supplementary (iii) Competitive (iv) Joint

(j) When two products substitutes at increasing rate then it is better to go for _________________.

(i) Both products (ii) Either of one product (iii) Specialization (iv) Diversification

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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 four*** questions

4. Define Farm? Distinguish between Production Economics and Farm Management. What is production function? Write down the nature and scope of agricultural production economics. 1+2.5+1.5+2.5=7.5

5. Define iso-quant, iso-cline, expansion path and ridgeline. Distinguish them diagrammatically. Why iso-quants can't intersect each other? Why economic relevance is achieved only between Ridge lines? 2+2+1.5+2=7.5

6. Nearly draw the diagram of classical production function with proper label. Explain the relationship between MPP, APP and TPP. Why II^{nd} zone of production is known as zone of Economic relevance? 2.5+3+2=7.5

7. Define linear programming. Write down a hypothetical LP model along with its components. Write down the assumptions of Linear Programming. 1+3.5+3=7.5

8. Define Depreciation. List out 5 popular methods of computation of depreciation of farm assets with suitable example. List out the methods of valuation of different types of farm inventories with suitable example. Briefly explain the sum of the year digits method.

   1+2.5+2.5+1.5=7.5

9. Write short notes (***any three***): 2.5×3=7.5

   (a) Principles of comparative Advances.

   (b) Systems of farming.

   (c) Principle of least cost combination.

   (d) Opportunity cost principle.

   (e) Elasticity of production.