

B.Sc. (Honours) Agriculture Semester-II Examination, 2019

Course No: AEC-121 (New)
(Fundamentals of Agricultural Economics)

Signature of Centre Superintendent

Roll No. : (in figure) _____ (in words) _____

Student Index No. _____ Regn. No. _____ of _____

Time : Two and a half 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 of the following statements (any five):** 1×5=5
- a) In deductive economic analysis, we move from general to particular.
 - b) In case of necessities, the elasticity of demand is less than one (1).
 - c) Inflation is a situation when too few money chases too much commodities.
 - d) The major problem of a capitalistic economy is exploitation of resources.
 - e) In perfect competition, the product is heterogeneous in nature.
 - f) A consumer gets maximum satisfaction when $P > MC$.
 - g) For token money, face value is equal to real/intrinsic value.
2. **Fill up the blanks with most appropriate words (any five):** 1×5=5
- a) According to _____ approach, utility can be measured.
 - b) The price of any commodity is determined by the interaction of _____ and _____.
 - c) The Law of Variable Proportions (LVP) is a _____ (short-run/long-run) phenomenon.
 - d) The budget of a government is a statement of _____ and _____.
 - e) Cross price elasticity of demand for substitute goods is _____.
 - f) With the increase in consumption of a commodity, the marginal utility _____.
 - g) Disposable income = _____ - _____.

3. **Tick (✓) the correct alternatives (any five):** 1×5=5
- a) Time utility is created by
 - i) Storage
 - ii) Transportation
 - iii) Value addition
 - iv) Selling

P.T.O.

- b) The term Economics is derived from _____ word.
- | | |
|---------------|--------------|
| i) Latin | ii) Greek |
| iii) Afrikans | iv) Sanskrit |
- c) At the point of inflection,
- | | |
|------------------|--------------------|
| i) $MPP > APP$ | ii) $MPP < APP$ |
| iii) $MPP = APP$ | iv) $MPP \leq APP$ |
- d) The 'General Theory of Employment, Interest and Money' was authored by _____.
- | | |
|-------------------|-----------------|
| i) Pareto | ii) Karl Marx |
| iii) J. M. Keynes | iv) A. Marshall |
- e) In which market structure, seller has no control over price?
- | | |
|----------------|-------------------------|
| i) Monopoly | ii) Perfect competition |
| iii) Oligopoly | iv) Monopolistic market |
- f) Which of the following costs, is not found in the long-run?
- | | |
|---------------------|----------------------|
| i) Fixed costs | ii) Variable costs |
| iii) Economic costs | iv) Opportunity cost |
- g) When the buyer and seller of a commodity mutually decide a price through bargaining, it is called
- | | |
|------------------------|-----------------------|
| i) Price determination | ii) Price discovery |
| iii) Equilibrium price | iv) None of the above |

4. Write the full forms (*any five*):

1×5=5

- a) RRB: _____.
- b) BEP: _____.
- c) LDMU: _____.
- d) NBFI: _____.
- e) GST: _____.
- f) PACS: _____.
- g) GNP: _____.

B.Sc. (Honours) Agriculture Semester-II Examination, 2019

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Part - II
(Descriptive Type)

Time : 120 Minutes

Full marks : 40

Questions are of value as indicated in the margin

Answer *any four* questions from the following.

5. Distinguish between demand for a commodity and demand schedule. State the law of demand with examples. Discuss in details about various factors that affect demand for a commodity with suitable diagrams. 2+2+6=10
6. Define consumer surplus. Derive graphically, the demand curve from the law of diminishing marginal utility (LDMU). Write down the assumptions of cardinal and ordinal approach of utility analysis. 2+5+3=10
7. Define supply. Define price discrimination. Using suitable diagrams, describe price and output determination in a perfectly competitive market. What do you mean by firm and industry? 2+2+4+2=10
8. What do you mean by National Income? Describe the flow of National Income in a closed economy without government (use suitable diagram). Define Money. Describe about two major functions of Money. 2+4+2+2=10
9. Distinguish between the following (*any five*): 2×5=10
- a) Stock and supply
 - b) Wants and demand
 - c) Short-run costs vs. Long-run costs
 - d) GDP vs. GNP
 - e) Commercial Banks vs. Co-operative Banks
 - f) Free good vs. Economic good
 - g) Capitalism vs. Socialism
10. Write short notes on the following (*any five*): 2×5=10
- a) Opportunity costs
 - b) Barter system of exchange
 - c) Classical economics
 - d) Role of agriculture in economic development
 - e) Central Bank and its functions
 - f) Malthwrian Theory of Population
 - g) Factors of production
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