

**M.A. Examination, 2016**  
**Semester-III**  
**Economics**  
**Course-XII (Group-A) (Special Paper)**  
**( Agricultural Economics-I )**

**Time: 3 Hours**

**Full Marks: 40**

*Questions are of value as indicated in the margin.*

Answer *any four* questions

1. Distinguish between the characteristics of a peasant economy with the characteristic of a modern farm. In this context, show how the head of household of a peasant economy maximizes income opportunity of family production. 4+6
  2. Explain how Nakajima defines farms into two criteria. In this context explain how a 'pure commercial family farm' maximizes its income from agricultural production. 5+5
  3. Distinguish between technical efficiency and allocative efficiency in the context of a profit maximizing farm. In this context explain the Schultz hypothesis that farmers in developing countries are poor but efficient. 5+5
  4. Explain the prominent cause of inter-linkage between different markets in rural area. Outline a model involving interlinked transactions between trader lender and farmer borrower in less developed agriculture. 3+7
  5. Do you think that the uncertainty regarding the sign of the long run price elasticity of marketable surplus is due to the uncertainty regarding the corresponding short run elasticity? Give reasons. 10
  6. What are the characteristics of rural credit market? Use the Lender's Risk hypothesis to explain prevalence of high rate of interest in the informal credit market. 10
  7. Critically discuss Bardhan and Srinivasan's argument that the share cropping is an cropping is an inefficient form of land tenure in agriculture. 10
  8. Construct a farm household model with three goals in its utility function – home time, own food consumption, market purchases and hence explain the impact of a rise in the market wage on total farm output, farm work time by the family, use of hired labour and proportion of home consumption. 10
-