

**B.E (AGRICULTURAL AND IRRIGATION ENGINEERING)**  
**DEGREE END SEMESTER EXAMINATIONS, NOVEMBER 2011**  
**VII SEMESTER**  
**AI 9401 AGRICULTURAL ECONOMICS AND FARM MANAGEMENT**  
**(REGULATIONS 2008)**

**Duration: 3hrs**

**Total marks 100**

**Part A (10x2=20)**

- 1 Define farm management, its scope and objective.
- 2 What is a farm record? List the objectives of the farm records.
- 3 Define opportunity cost.
- 4 Explain economies of scale with a neat sketch.
- 5 Explain iso- revenue line with a figure and list down its characteristics.
- 6 Differentiate Marginal rate of technical substitution and Marginal rate of product substitution.
- 7 List down the ways to improve the productivity of land.
- 8 Classify farm labours.
- 9 What is margin of safety?
- 10 List down the steps involved in whole farm planning and budgeting.

**Part B (5x16=80)**

(Question 11 is compulsory)

- 11(a) (i) Classify the different farm management decisions and explain them in detail. (10)
- (b) (i) Define the terms journal, ledger, cashbook and balance sheet.(6)
- 12(a) (i) Determine the optimum level of input and optimum level of output with suitable tabular columns and concepts. (12)
- (ii) What are the different factors of production? Define them. (4)
- Or**
- (b) (i) Explain the law of diminishing returns and equimarginal returns with examples. (10)
- (ii) Describe the three stages of production function. (6).
- 13(a) (i) Explain iso-quants and its properties. (4)
- (ii) Describe the types of factor substitution. (8)
- (iii) Explain iso-cost line with its characteristics (4)
- Or**
- (b) (i) What is production possibility curve? List down its characteristics (3)
- (ii) Explain the relationships among the products with suitable figures and the types of product substitution. (13)
- 14(a) (i) Explain the types of uncertainties. (4)
- (ii) List the factors that influence the willingness of farmer to take risk. (6)
- (iii) Explain each of the managerial decisions taken to reduce risks in production process. (6)
- Or**
- (b) (i) Explain in detail the discounted and undiscounted measures with suitable terminologies. (16)
- 15(a) (i) Explain in detail the various tools of farm financial analysis. (16)
- Or**
- (b) (i) Describe the different types of farm budgeting. (16)