



MEDICAPS
UNIVERSITY

Faculty of Agriculture

End Semester Examination May 2025

AG3CO51 Farm Management, Production & Resource Economics

Programme	: B. Sc. (Hons.)	Branch/Specialisation	: AG
Duration	: 3 hours	Maximum Marks	: 50

Note: All questions are compulsory. Internal choices, if any, are indicated. Assume suitable data if necessary.

Notations and symbols have their usual meaning.

Section 1 (Answer all question(s))		Marks	CO	BL
		1	2	2
Q1.	Which of the following is the primary objective of farm management?			
	<input type="radio"/> Maximizing yield <input type="radio"/> Minimizing input costs			
	<input type="radio"/> Maximizing profit <input checked="" type="radio"/> All of the above			
Q2.	The concept of least - cost combination is most closely associated with:	1	1	2
	<input type="radio"/> Factor – product relationships <input type="radio"/> Product – product relationships			
	<input checked="" type="radio"/> Factor – factor relationships <input type="radio"/> Market equilibrium			
Q3.	The prime costs are also known as-	1	1	1
	<input checked="" type="radio"/> Variable cost <input type="radio"/> Total Cost			
	<input type="radio"/> Marginal Cost <input type="radio"/> Fixed cost			
Q4.	The cost of the next best alternative forgone is called:	1	1	1
	<input type="radio"/> Sunk cost <input checked="" type="radio"/> Opportunity cost			
	<input type="radio"/> Fixed cost <input type="radio"/> Marginal cost			
Q5.	The balance sheet is also known as:	1	1	2
	<input type="radio"/> Income statement <input type="radio"/> Statement of cash flow			
	<input checked="" type="radio"/> Statement of financial position <input type="radio"/> Retained earnings statement			
Q6.	A good farm plan should be:	1	4	2
	<input type="radio"/> Inflexible <input type="radio"/> Rigid			
	<input type="radio"/> Risky <input checked="" type="radio"/> Adaptable			
Q7.	The risk of crop failure due to drought is an example of:	1	4	2
	<input type="radio"/> Market risk <input type="radio"/> Financial risk			
	<input checked="" type="radio"/> Production risk <input type="radio"/> Institutional risk			
Q8.	Which of the following is considered a source of uncertainty in agriculture production?	1	4	2
	<input type="radio"/> Seasonal variations in rainfall <input type="radio"/> Predictable market price trends			
	<input type="radio"/> Established government subsidy programs <input checked="" type="radio"/> A sudden, unexpected outbreak of a new crop disease.			
Q9.	Which of the following is an example of a renewable resource?	1	5	2
	<input type="radio"/> Coal <input type="radio"/> Natural gas			
	<input checked="" type="radio"/> Solar energy <input type="radio"/> Uranium			

Q10. “Externalities” in natural resource economics refers to:

1 5 2

- ☐ Internal costs of production
 ☒ Costs or benefits that affect parties not involved in a transaction
 ☐ Government subsidies for resource extraction
 ☐ Fluctuations in market prices

Section 2 (Answer all question(s))

Marks CO BL

Q11. Write the meaning of farm management.

1 2 2

Rubric	Marks
Write the meaning of farm management	1

Q12. Define expansion path.

2 1 1

Rubric	Marks
Define expansion path.	2

Q13. (a) Define production function and explain its three stages.

5 1 2

Rubric	Marks
Define production function	2
Explain its three stages.	3

(OR)

(b) Explain the relationships among the farm products.

Rubric	Marks
Explain the relationships among the farm products.	5

Section 3 (Answer all question(s))

Marks CO BL

Q14. When $APP > MPP$, then MPP is ____.

1 1 2

Rubric	Marks
When $APP > MPP$, then MPP is ____	1

Q15. Explain the least cost combination.

3 1 2

Rubric	Marks
Explain the least cost combination.	3

Q16. (a) Define the cost and write its types.

4 1 2

Rubric	Marks
Define the cost	1
write its types.	3

(OR)

(b) Explain the concept of costs.

Rubric	Marks
Explain the concept of costs.	4

Section 4 (Answer all question(s))

Marks CO BL

Q17. Define farm inventory.

2 1 1

Rubric	Marks
Define farm inventory.	2

Q18. (a) Define farm records and explain various types of farm records needed to maintain on farm.

6 4 2

Rubric	Marks
Define farm records	1
Explain various types of farm records needed to maintain on farm.	5

(OR)

(b) Define the farm budgeting and write its type.

Rubric	Marks
Define the farm	2
write its type.	4

Section 5 (Answer all question(s))

Marks CO BL

Q19. Define the risk.

2 4 1

Rubric	Marks
Define the risk.	2

Q20. Define the uncertainty.

2 4 1

Rubric	Marks
Define the uncertainty.	2

Q21. (a) Explain the nature and sources of risk and its management strategies.

4 4 2

Rubric	Marks
Explain the nature and sources of risk.	2
its management strategies.	2

(OR)

(b) Write the difference between risk and uncertainty.

Rubric	Marks
Write the difference between risk and uncertainty. (1 Marks each difference)	4

Section 6 (Answer any 2 question(s))

Marks CO BL

Q22. Write the important issues in economics and management of common property resources of land, water, pasture and forest resources.

4 5 2

Rubric	Marks
Write the important issues in economics and management of common property resources of land, water, pasture and forest resources.	4

Q23. Write the positive and negative externalities in agriculture.

4 5 2

Rubric	Marks
Write the positive externalities in agriculture.	2
Write the negative externalities in agriculture.	2

Q24. Write the differences between natural resource economics and agricultural economics.

4 5 2

Rubric	Marks
Write the differences between Natural Resource Economics and Agricultural Economics (1 marks each difference).	4
