

# Faculty of Agriculture

## End Semester Examination May 2025

### AG3CO51 Farm Management, Production & Resource Economics

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

<b>Q1.</b>	Which of the following is the primary objective of farm management?	<b>Marks CO BL</b>		
		1	2	2
	<input type="radio"/> Maximizing yield <input type="radio"/> Minimizing input costs <input type="radio"/> Maximizing profit <input checked="" type="radio"/> All of the above			
<b>Q2.</b>	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			
<b>Q3.</b>	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			
<b>Q4.</b>	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			
<b>Q5.</b>	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			
<b>Q6.</b>	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			
<b>Q7.</b>	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			
<b>Q8.</b>	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.			
<b>Q9.</b>	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

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