

**PARUL UNIVERSITY**  
**COLLEGE OF AGRICULTURE**

**B.Sc.(Hons.) Agriculture Supplementary Examination, Winter 2017 - 18**

Semester: 2

Date: 04/01/2018

Subject Code: 20105151

Time: 10:30 am to 1:00 pm

Subject Name: Principles of Agriculture Economics

Total Marks: 60

**Instructions**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

**Q.1 Do as Directed.****A. Fill in the blanks. (Each of 0.50 marks)****(10)**

- 1) Father of economics is \_\_\_\_\_.
- 2) The word 'economics' was derived from two Greek words, *oikos* (a house) and *nemein* (to manage) which would mean \_\_\_\_\_.
- 3) Wealth definition of economics is given by \_\_\_\_\_.
- 4) According to Robbins, Economics is a \_\_\_\_\_.
- 5) \_\_\_\_\_ definition covers various aspects like production, distribution and consumption.
- 6) The process of satisfaction of these wants is called \_\_\_\_\_.
- 7) Microeconomics is also called \_\_\_\_\_.
- 8) \_\_\_\_\_ goods are those goods which can be used only once in the production and Consumption process.
- 9) \_\_\_\_\_ goods are those which can be used repeatedly during the production and Consumption process over several periods.
- 10) \_\_\_\_\_ refers to the sensitiveness or responsiveness of demand to changes in price.
- 11) \_\_\_\_\_ means the power to satisfy a human want.
- 12) \_\_\_\_\_ = personal income – personal taxes.
- 13) \_\_\_\_\_ means anything which has value.
- 14) The capacity of a good to command other things in exchange is called \_\_\_\_\_.
- 15) \_\_\_\_\_ is a diagrammatic representation of demand schedule.
- 16) The law of demand expresses the functional relationship between price and \_\_\_\_\_.
- 17) GNP includes net factor income from abroad whereas \_\_\_\_\_ does not.
- 18) \_\_\_\_\_ basically suggests an increase in the cost of living over a period of time.
- 19) \_\_\_\_\_ ignores the transactions involving intermediate goods.
- 20) \_\_\_\_\_ deals with "why government takes money how it gets money and where it spends money?"

**B. Multiple choice type questions. (Each of 0.50 mark)****(10)**

1. Samuelson has made his definition dynamic by including the element of \_\_\_\_\_ in it.
 

A) Time	C) Habit
B) Income	D) Demand
2. \_\_\_\_\_ does not indicate what is good or what is bad to the society.
 

A) positive science	C) microeconomics
B) normative science	D) macroeconomics
3. \_\_\_\_\_ makes distinction between good and bad.
 

A) normative science	C) microeconomics
B) positive science	D) macroeconomics
4. \_\_\_\_\_ deals with the behaviour of aggregates like total employment, gross national product, national income, general price level, etc.
 

A) macroeconomics	C) microeconomics
B) positive science	D) normative science
5. \_\_\_\_\_ is defined as the art of managing a farm successfully as measured by the test of profitability
 

A) farm income	C) agriculture production
B) farm management	D) agriculture economics

- 6 \_\_\_\_\_: anything that satisfies human wants or needs.  
 A) wants C) utility  
 B) goods D) wealth
- 7 \_\_\_\_\_ is just meant for enhancing the prestige of a person, (e.g.) Ornaments, bungalow, car, etc.  
 A) Comfort wants C) Necessaries wants  
 B) Luxuries wants D) Economic wants
- 8 According to \_\_\_\_\_ utility is *quantitatively* measures the preference of an individual towards a certain commodity.  
 A) Ordinal utility C) Current utility  
 B) Cardinal utility D) Marginal
- 9 According to \_\_\_\_\_ utility cannot be quantified.  
 A) Cardinal utility C) Ordinal utility  
 B) Marginal D) ) Current utility
- 10 \_\_\_\_\_ is a tabular representation of the quantity demanded of a commodity at various prices.  
 A) demand curve C) demand schedule  
 B) data D) quantity demand
- 11 Degree certificate, pan card etc are example of \_\_\_\_\_ good.  
 A) external material transferable C) external material non-transferable  
 B) external material D) internal material
- 12 The law of demand states that as \_\_\_\_\_ increases (decreases) consumers will purchase less (more) of the specific commodity.  
 A) Income C) Price  
 B) Cross D) Quantity
- 13 The degree of change or responsiveness of quantity demanded of a good to a change in the income of a consumer is called \_\_\_\_\_.  
 A) price elasticity of demand C) Quantity demand  
 B) cross elasticity of demand D) income elasticity of demand
- 14 Land, bonds, deposits are examples of \_\_\_\_\_ wealth.  
 A) social C) common  
 B) national D) individual
- 15 Output or production method is also called the \_\_\_\_\_.  
 A) consumer price index C) cost of living index  
 B) arc method D) value-added method
- 16 \_\_\_\_\_ indicates the rise in price of a basket of commodities on a point-to-point basis.  
 A) demand C) escheat  
 B) quantity demand D) inflation
- 17 \_\_\_\_\_ is the change in the total utility resulting from one unit change in the consumption of a commodity.  
 A) marginal utility C) cardinal utility  
 B) total utility D) ordinal utility
- 18 When prices rise between 20% to 100% per annum or even more, it is called \_\_\_\_\_.  
 A) creeping inflation C) running inflation  
 B) hyperinflation D) walking inflation
- 19 The consumer price index is also known as \_\_\_\_\_.  
 A) Arc method C) Cost-of-living index.  
 B) value added method D) production method
- 20 \_\_\_\_\_ refers to the property that is claimed by government of the deceased without successors or will.  
 A) deed C) utility  
 B) demand D) escheat

**C. Give the sentence true or false. (Each of 0.50 mark)**

**(05)**

- 1) NNP ignores the transactions involving intermediate goods.
- 2) Wealth definition of economics is given by Prof. Paul Samuelson
- 3) Rivers, mountains are examples of consumer wealth.
- 4) According to ordinal utility is *quantitatively* a measure the preference of an individual towards a certain commodity.

- 5) Positive science makes distinction between good and bad.
- 6) Microeconomics is also known as income theory.
- 7) Normative science does not indicate what is good or what is bad to the society.
- 8) According to cardinal utility cannot be quantified.
- 9) Coffee or cigarette is example of luxuries want.
- 10) Seeds, fertilizers, food etc. are examples of mini period goods.

**Q.2 Do as Directed.**

**A. Match group A with group B. (Each of 0.50 marks)**

**(05)**

- | A                              | B                                  |
|--------------------------------|------------------------------------|
| 1) Growth definition           | a) Consumer goods                  |
| 2) National income             | b) Prices rise between 20% to 100% |
| 3) Consumption                 | c) Income theory                   |
| 4) Wealth definition           | d) Value-added method              |
| 5) Microeconomics              | e) Rivers, mountains               |
| 6) Food and clothing           | f) Prof. Paul Samuelson            |
| 7) Hyperinflation              | g) Aggregate factor income         |
| 8) Macroeconomics              | h) Process of satisfaction         |
| 9) Output or production method | i) Adam smith                      |
| 10) National wealth            | j) Price theory                    |

**B. Define the following. (Any ten)**

**(05)**

- 1) Economics
- 2) Agricultural economics
- 3) Agricultural production economics
- 4) Farm management
- 5) Goods
- 6) Utility
- 7) Total utility
- 8) Marginal utility
- 9) National income
- 10) Gross national product
- 11) Tax
- 12) Diminishing marginal utility

**C. Answer the following. (Any ten)**

**(10)**

- 1) Which resources need for production?
- 2) Enlist types of want.
- 3) Economics is a science. Justify.
- 4) Enlist types of demand.
- 5) Enlist types of income elasticity of demand.
- 6) Which factors influencing the price elasticity of demand?
- 7) Write characteristic features of services.
- 8) Give types of utility.
- 9) Give assumptions of consumer's surplus.
- 10) Write the main goals of agricultural production economics.
- 11) Write uses of elasticity of demand.
- 12) Write similar characteristics in public and private finance.

**Q.3 Write short notes. (Any five)**

**(10)**

- 1) Enlist classification of goods with examples.
- 2) Give sectors of economy with examples.
- 3) Explain divisions of economics.
- 4) Enlist characteristics of want.
- 5) Calculate price elasticity of demand.

The price of a good falls from Rs.10 per unit to Rs.9 per unit in a day. The decline in price causes the quantity of the good demanded to increase from 125 units to 150 units per day.

- 6) Give Full forms of following.
  - GST
  - VAT
  - GDP
  - GNP

**Q.4 Differentiate the following. (Any five)**

**(05)**

- 1) Positive and normative economics
- 2) Microeconomics and macroeconomics
- 3) Free goods and economic goods
- 4) Consumer goods and producer goods
- 5) Mono period goods poly period goods
- 6) Wealth and welfare