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**GANDHI INSTITUTE OF ENGINEERING AND TECHNOLOGY UNIVERSITY,
ODISHA, GUNUPUR
(GIET UNIVERSITY)**

B. Sc. (Ag.) (Sixth Semester) Examinations, April – 2025
AE-324 – Farm Management, Production and Resource Economics

Time: 2 hrs

Maximum : 50 Marks

The figures in the right hand margin indicate marks.

PART – A

Q.1. Fill in the blanks with suitable word / figure. (0.5 x 10 = 5 Marks)

- a. _____ budgeting is used to estimate the costs and returns for part of the business.
- b. The point of intersection of isoquant and iso-cost line is referred to as _____.
- c. _____ farming is a type of farming in which crop production is combined with livestock raising.
- d. _____ uncertainties include interventions by government like credit squeeze, crop cess, price support.
- e. _____ products affect the level of production of each other
- f. The additional cost incurred when an extra unit of input is used is called as _____.
- g. Elasticity of production is _____ in Stage 2 of production function.
- h. AVC is the mirror image of _____ curve.
- i. An economic term referring to cost or benefit incurred from or received by a third party who has no control over the creation of that cost or benefit is called as _____.
- j. Resources those can be replenished in a relatively quite shorter span of time are called as _____ resources.

Q. 2. Define (or) Explain the following in one or two sentences. (1 x 5 = 5 Marks)

- a. Farm Planning
- b. MPP
- c. Production possibility frontier
- d. Law of increasing marginal returns
- e. Common property resources

Q3. Match the following (0.5 x 10 = 5 Marks)

Column – A	Column – B
(a) Iso-cost line	(i) Given outlay of income
(b) Toll goods	(ii) Stage 2 of production function
(c) Expansion Path	(iii) Straight line parallel to x-axis
(d) $MR > MC$	(iv) Excludable and non rival
(e) AVC	(v) $MRTS = PR$
(f) LCC	(vi) Given outlay of funds
(g) Private goods	(vii) Stage 1 of production Function
(h) $MR = MC$	(viii) Isocline
(i) Iso-revenue line	(ix) Excludable and rival
(j) TFC	(x) Constantly decreasing

Q4. Write True or False against each statement

(0.5 x 10 = 5 Marks)

- a. Elasticity of production is equal to one at the end of first stage of production function.
- b. Risk comes under the category of perfect knowledge
- c. Mazie rotated with legumes are examples of complementary products.
- d. Specialised farming tends to decrease the risk associated in farming enterprises.
- e. Isoquants generally do have a negative slope and are convex in nature.
- f. Production beyond ridge lines, become economically inefficient.
- g. In long run production function, all the factors of production are assumed to be variable
- h. In diversified farming, no single enterprise contributes more than 50% of the total income pf the farm.
- i. Added costs are incurred if proposed modification entails elimination of an existing enterprise.
- j. In law of constant returns to scale, output increases by an equal amount for ach additional unit of variable input.

PART – B

Attempt ANY FIVE questions. All question carries equal marks

(6 x 5 = 30 Marks)

- 5. Define and list the properties of an iso-resource curve. State and define the various basic relationships that exist amongst products.
- 6. Discuss the safeguard measures to curb the effects of risk and uncertainty.
- 7. Enumerate the differences between NRE and Agricultural Economics. Define externality and give suitable scenarios of positive and negative externalities.
- 8. Discuss MVP, MIC, MR and MC. Also state the decision rules for MVP & MIC and MR & MC
- 9. Mention and define the different types of farm records. Also define Cost A, Cost B, Cost C.
- 10. Compare the different stages of a classical production function, clearly depicting it graphically.

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