



Registration No:
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2nd SEMESTER REGULAR EXAMINATIONS, SEPT/OCT 2019-20

AE-12

FUNDAMENTALS OF AGRICULTURAL ECONOMICS

Time : 2 Hours

Maximum : 50 Marks

(Answer **all** questions of Section – A)

SECTION – A

Q.1. Define/Explain in 1-2 sentences 5x1=5

- a. Elasticity of Demand
- b. Law of supply
- c. Rent
- d. Land
- e. Marginal cost

Q.2. Match the followings (Write the letter of Column-A in the () of Column-B 5x1=5

	Column A		Column B	
1	Direct Tax	a	Price theory	
2	Microeconomics	b	Income	
3	Net National product	c	Adamsmith	
4	National Income	d	National income at market price	
5	Wealth of Nations	e	Net National Product at factor cost	

Q.3. Fill-up the blanks 10x0.5=5

- a.is a social science in which proper use and allocation of resources for achievement and maintenance of growth and stability.
- b. In general, profit will be at a maximum where, MC is equal to
- c. Thecurve for a commodity always moves downward from left to right.
- d.means the presence of a single seller and single buyer for the products produced by the firm.
- e. is a situation in which there is a decrease in the purchasing power of the monetary unit.
- f. The economic profit will be in zone in a input output relationship.
- g.is the additional cost incurred from producing on additional unit of output.
- h.is produced means of production.
- i.is the total market value of all final goods and services produced in a year.
- j. The difference between personal income and personal taxes is equal to



Q.4. State whether the following statements are **True / false**

10x0.5=5

- a. The demand curve will have a negative slope.
- b. Markets having few buyers are called Oligopoly.
- c. The elasticity of demand for necessary commodity is less elastic.
- d. In a monopolistic competition market goods produced are homogenous.
- e. Want satisfying characteristics of a commodity is called wealth.
- f. All public expenditure should give rise to maximum social advantage.
- g. Sale taxes are Indirect Tax.
- h. The service of a doctor for which payment is done is called non-material good.
- i. In case of perfectly inelastic demand the demand curve is horizontal to X-axis.
- j. Robbins is called as the father of Economics.

SECTION – B

(Attempt any **five** questions. Each question carries equal marks)

5x6=30

5. Explain the Law of Demand with six exceptions.
6. Explain the Law variable proportion indicating three stages of production.
7. What is Inflation? What are the causes of inflation?
8. What is public expenditure? What are the Needs for public expenditure? Briefly explain the principles of public expenditure.
9. Explain the different characteristics and function of money.
10. Explain the income method of for estimation of GNP.

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