



# GIET UNIVERSITY, GUNUPUR – 765022

B. Sc (AG)(First Semester) Examinations, June – 2021

## AE 111 – Fundamentals of Agricultural 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)

- The practice of a firm charging different prices to different customers or in different markets is called \_\_\_\_\_
- NNP at a factor cost is also called \_\_\_\_\_
- The slope of supply curve is \_\_\_\_\_ to origin.
- Same quantity demanded at high price refers to \_\_\_\_\_
- The concept of indifference curve technique is based on \_\_\_\_\_ approach.
- Buying and selling function gives \_\_\_\_\_ utility to the product.
- For \_\_\_\_\_ goods, demand is more than supply
- The remuneration paid for the use of capital is \_\_\_\_\_
- Macro Economics is otherwise called as \_\_\_\_\_
- Wealth definition of Economics was given by \_\_\_\_\_

#### **Q.2. Define (or) Explain the following in one or two sentences.**

(0.5 x 10 = 5)

- Welfare definition of economics
- Oligopoly
- Stagflation
- Income elasticity.
- Gross domestic product

#### **Q.3. Choose the most appropriate answer from the following**

(0.5 x 10 = 5)

- When MU is zero, TU is
 

(i) Maximum	(ii) Minimum
(iii) Zero	(iv) Negative
- Community surplus equals
 

(i) Producer surplus minus consumer surplus	(ii) Profits plus utility
(iii) Consumer surplus plus producer surplus	(iv) Total utility minus plus profit
- Indifference curve is
 

(i) Concave to the origin	(ii) A straight line
(iii) L shaped	(iv) Convex to the origin
- Production refers to

- (i) Destruction of utility (ii) Creation of utilities  
(iii) Exchange value (iv) None
- e. In capitalism, the prices of commodities are  
(i) Fixed by the Government (ii) Fixed by Marketing Department  
(iii) Determined by Market forces (iv) All
- f. In mixed economy, there is  
(i) Only public sector (ii) Coexistence of both public and private sectors  
(iii) Only private sector (iv) None of the above
- g. The meaning of 'Economics' is most closely associated with the words  
(i) Unlimited (ii) Scarcity  
(iii) Free (iv) None
- h. The definition of Economics given by Alfred Marshall has neglected  
(i) Material Welfare (ii) Non-material welfare  
(iii) Both (iv) None
- i. The subject matter of Economics dealing with an individual or tiny aggregates of population is called \_\_\_\_\_  
(i) Macroeconomics (ii) Price theory  
(iii) Both (iv) None
- j. According to LEMU, the consumer derives maximum satisfaction when  
(i) MU is maximum for a commodity (ii) MU is zero for a commodity  
(iii) MU derived from different commodities is same (iv) TU is equal to MU

**Q4. Write True or False against each statement**

**(0.5 x 10 = 5)**

- Giffen goods are inferior goods
- The word 'Economics' originates from the latin word 'Oikonomikos'
- Main features of Samuelson's definition are efficient allocation of resources, dynamism, problem of choice, improvement in resource allocation and distribution
- In general in case of Giffen goods, the demand Curve is convex to origin
- In case of perfect elastic demand, the elasticity  $= 0$
- Labour cannot be separated from labourer
- The term Capital formation means formation of physical goods
- The shape of average cost is 'U' shape
- When marginal revenue is zero, total revenue is minimum
- In perfect competition, MC cuts the MR and equal to AR

## PART – B

**Attempt *ANY FIVE* questions. All questions carry equal marks (6 × 5 = 30 Marks)**

5. Define the law of Supply? Discuss briefly the elasticity of supply and factors affecting supply.

6. Explain the law of Equi-marginal utility? Briefly write Practical importance and limitations
7. Discuss the types of taxes. Briefly write the characteristics of a good tax system in India and the cannon of taxation
8. What is public expenditure? What are the needs for public expenditure? Briefly explain the principles of public expenditures
9. What is meant by the agricultural economics? Briefly write the characteristics and importance in economics development
10. What is meant by the price discrimination? What are conditions necessary for successful of price discrimination and explain in briefly types of price discrimination

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