

THE OPEN UNIVERSITY OF SRI LANKA
 DEPARTMENT OF SOCIAL STUDIES
 BA DEGREE PROGRAMME IN SOCIAL SCIENCES - LEVEL V
 FINAL EXAMINATION 2023/2024 (SEMESTER II)
 DSU5332 – AGRICULTURAL ECONOMICS



DURATION: THREE HOURS (3 HOURS)

Date: 18.08.2024

Time: 09.30 a.m. - 12.30 p.m.

Instructions:

- There are nine (09) questions in this paper.
- Answer any five (05) questions.
- Each answer carries 20 marks.

1. (a) What are the common challenges faced by farmers in developing countries?
(10 marks)
- (b) Discuss four (04) critical issues faced by the farmers in Sri Lanka, at present,
along with suggestions to overcome them. (10 marks)
2. (a) Why is agriculture considered as the principal sector in economic development in
developing countries? (10 marks)
- (b) Elaborate on the role of agriculture in the overall Gross Domestic Product (GDP)
of Sri Lanka. (10 marks)
3. (a) Examine the importance of agricultural policy in tackling the issues confronting
farmers. (10 marks)
- (b) Consider the relevance of agricultural policy in addressing the challenges of food
security and employment. (10 marks)
4. (a) Why Government involvement is essential for the advancement of agriculture
within a nation? (10 marks)
- (b) Investigate the role of government intervention in the agricultural evolution of Sri
Lanka. (10 marks)

5. (a) Briefly explain the main features of the trade policy in Sri Lanka. (10 marks)
(b) Discuss the impact of current trade barriers on the agricultural sector in Sri Lanka. (10 marks)
6. (a) Discuss the consequences of implementing guaranteed prices and price controls (both ceiling and floor prices) in agricultural pricing policies. (10 marks)
(b) Discuss how input pricing practices, such as subsidies for fertilizers, affect agricultural production and the economy in Sri Lanka. (10 marks)
7. (a) Explain the evolution of agricultural credit policies in Sri Lanka, with a focus on the shift from non-institutional to institutional credit sources. (10 marks)
(b) Explain the concept of microfinance and its implementation in Sri Lanka, highlighting its benefits and challenges. (10 marks)
8. (a) Examine the reasons for the price gap between what Sri Lankan farmers earn and what consumers pay for agricultural produce. (10 marks)
(b) Propose strategies to improve agricultural marketing efficiency in Sri Lanka. (10 marks)
9. Write short notes on **any four (04)** of the following.
- a) Human Development Index (HDI).
 - b) Comparative Advantage
 - c) Measures of Local Protection
 - d) Ceiling prices and floor prices
 - e) Total and partial factor productivity (5×4 =20 Marks)

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