THE OPEN UNIVERSITY OF SRI LANKA
DEPARTMENT OF SOCIAL STUDIES
BA IN SOCIAL SCIENCES –2024/2025
FINAL EXAMINATION – LEVEL 5 (SEMESTER II)
DSU5332 - AGRICULTURAL ECONOMICS

DURATION: THREE HOURS (03 HOURS) ONLY

Date: 30.08.2025 **Time: 9.30 a.m. - 12.30 p.m.**

Instructions:

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

1. (a) Explain three key challenges that farmers face in production and how these affect their decision-making efficiency. (10 Marks)

   (b) How the non-availability and high cost of inputs affect farmers' productivity and profitability. (10 Marks)

2. (a) Explain the key limitations of using GDP to measure development and why it may not reflect a population's true well-being. (10 marks)

   (b) Identify alternative development indicators and explain why they are more appropriate measures of overall development. (10 Marks)

3. (a) Why is agriculture considered a key sector in promoting economic growth in developing countries? (10 marks)

   (b) Elaborate on the role of agriculture as a source of capital in Sri Lanka. (10 marks)

4. (a) Explain the main differences between agriculture-based and urbanized economies. (10 marks)

   (b) Discuss how the role of agriculture changes during a country's transition from an agriculture-based economy to an urbanized economy. (10 marks)

5. (a) Explain the challenges that globalization poses to domestic agriculture in developing countries. (10 marks)

(b) Explain why it is important for governments to address externalities through policy measures in the agricultural sector. (10 marks)

6. (a) Describe how Sri Lanka's trade policy has evolved after 1977, highlighting its impact on domestic agricultural producers. (10 marks)

(b) Explain three types of regional trading arrangements used to facilitate trade among countries. (10 marks)

7. (a) Evaluate the effectiveness of agricultural pricing policies in Sri Lanka in achieving their intended objectives. (10 marks)

(b) Compare the benefits and drawbacks of import substitution policies with those of outward-oriented trade strategies in the context of Sri Lanka. (10 marks)

8. (a) Explain the shift from labour-intensive to capital-intensive technologies in Sri Lankan agriculture and its impact on productivity and rural employment. (10 marks)

(b) Explain three methods through which technical change can occur in agriculture, providing examples for each. (10 marks)

9. Write short notes on **any <u>four (04)</u>** of the following. (5 Marks for each)

a) Gini Coefficient
b) Terms of Trade
c) World Trade Organization (WTO)
d) Measurements of Technical Change
e) Measures of Protection