



The Open University of Sri Lanka
Faculty of Engineering Technology
Industrial Studies Program

Final Examination- 2006

AEM4234 Agricultural economics and management

Date : 07.04.2007
Time : 0930-1230 hours

SECTION II

1. a. What are the three main phases in the project management cycle?
b. Discuss the methods applied in scheduling of small projects.

2. **“Proper labour allocation is essential for increasing farm profits”.**
 - a. What are the factors influencing the productivity of labour.
 - b. Briefly explain different measures for reducing the cost of labour in agricultural activities.

3. **“Colebrook Cameron reforms of 1833, introduced export oriented plantation agriculture while neglecting peasant agriculture.”**
 - a. What are the measures introduced by these reforms to facilitate large scale plantations?
 - b. Explain how these reforms affected peasant agriculture, giving emphasis to the causes for the declining productivity.

4. Write short notes on three (3) of the following;
 - a. Guaranteed price scheme
 - b. Risk aversion
 - c. Assets and liabilities
 - d. Farmer education.

5. a. Write down the classification of adaptor categories based on the rate of diffusion of innovations.

b. Discuss in detail the factors affecting the rate of diffusion of an innovation.

6. Cost benefit analysis is an important method of project evaluation.
 - a. Briefly explain the costs involved in agricultural projects.
 - b. Discuss how benefits could be gained through;
 - i. increasing the value of production and
 - ii reducing the cost of production