

THE OPEN UNIVERSITY OF SRI LANKA  
 DEPARTMENT OF SOCIAL STUDIES  
 BA DEGREE PROGRAMME IN SOCIAL SCIENCES - LEVEL V  
 FINAL EXAMINATION - 2009  
 SSU 3205 - AGRICULTURAL ECONOMICS



DURATION: THREE (03) HOURS

Date: 18<sup>th</sup> October 2009

Time: 9.30 a.m. - 12.30 p.m.

Answer five (05) questions only. Each question carries 20 marks.

1. "Agriculture Economics is an application of economic theories/models on agricultural issues". Explain.
2. "The share of agriculture in Gross Domestic Product (GDP) declines as a country's economy develops". Explain.
3.
  - i. Discuss the meaning of production function with suitable examples.
  - ii. Illustrate the following statements:
    - a. "Taken together, the Marginal Physical Product (MPP) and the Average Physical Product (APP) define three stages of production in only one of which (stage II) an economic optimum will be found.
    - b. "An isocost line shows the different combinations of resources that can be bought with a given cost outlay".
4. "The Fei - Ranis (FR) model of a dual economy consists of three stages of economic growth". Discuss.
5.
  - i. What can agriculture do for economic development in developing countries?
  - ii. What are the effective policy instruments in using agriculture for economic development in Sri Lanka?
6. Examine the concepts of "beliefs" "values", and "attitudes" and their relationship to "agricultural policy" in developing countries.
7. Which "rural development approach" you think would provide the best solution to the development problems of rural communities in Sri Lanka.
8. Write short notes on any three (03) of the following:
  - i. The depreciation approach and the user cost approach
  - ii. Adult literacy rate and infant mortality rate
  - iii. The bottom-up approach and the top down approach
  - iv. Border price criterion and terms of trade criterion
  - v. Tariff and non-tariff barriers on agriculture.