THE OPEN UNIVERSITY OF SRI LANKA
DEPARTMENT OF SOCIAL STUDIES
BA DEGREE PROGRAMME IN SOCIAL SCIENCES – LEVEL V
FINAL EXAMINATION - 2011
SSU 3205 – AGRICULTURAL ECONOMICS

DURATION – THREE (3) HOURS

Date: 16th October 2011   Time: 9.30 a.m. – 12.30 p.m.

Answer five (5) questions only. Each question carriers 20 marks.

1.   Discuss the following statements
      (a)   "Agricultural economics uses the scientific methods to find answers to problems in agriculture"   (10 marks)
      (b)   "The relative contribution of agriculture output to Gross Domestic Product (GDP) declined in Sri Lanka over the past two decades".   (10 marks)

2.   (a)   Briefly explain the Fei-Ranis (FR) Model.   (10 marks)
      (b)   What are the assumptions rooted in the FR Model?   (10 marks)

3.   (a)   Define a Single-Variable Production Function   (05 marks)
      (b)   "The output change in response to different levels of inputs are invariably explained in terms of the laws of production function". Explain with an example.   (15 marks)

4.   What are the constraints faced by developing countries such as Sri Lanka in formulating agricultural policies?   (20 marks)

5.   Critically examine the self-sufficiency in rice and its economic benefits in Sri Lanka.
                                                                       (20 marks)

6.   Critically examine the concepts of "belief", "value" and "attitudes" and their relationship to agricultural development in developing countries.   (20 marks)

7.   (a)   Differentiate between the two concepts, "Agricultural Development" and "Rural Development".   (05 marks)
      (b)   Given the level of diversity in less developing countries, do you think that a single and unified approach to rural development is possible? Explain.
                                                                       (15 marks)

8.   Write short notes on any **four (4)** of the following: (each carries five marks)
      (i)   Farm gate prices and consumer prices in agricultural products
      (ii)   The Marginal Rate of Technical Substitution (MRTS) and Marginal Rate of Product Transformation (MRTP)
      (iii)   Consumer surplus and producer surplus
      (iv)   "Natural resource indicators" and "National Income Accounts"
      (v)   Income inelasticity for agricultural products
      (vi)   Dual economy and the Lewis Growth Model

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