



**THE OPEN UNIVERSITY OF SRI LANKA
DEPARTMENT OF SOCIAL STUDIES
BA DEGREE PROGRAMME IN SOCIAL SCIENCES – (2014/2015)
FINAL EXAMINATION – LEVEL V
SSU3205 – AGRICULTURAL ECONOMICS**

DURATION: THREE HOURS (03 HOURS)

Date: 08th March 2015

Time: 09.30 a.m. – 12.30 p.m.

Answer five (05) questions only. Select at least two questions (02) from each part. Each question carries twenty (20) marks.

Part one

1. “Although the contribution of the agriculture sector to the GDP of Sri Lanka has been gradually declining, it still plays a significant role in the economy” Describe.
2. “Application of technology is a necessity but not sufficient if agriculture is to remain profitable in developing countries” Explain.
3. Examine economic implications of indiscriminate fragmentation of highly productive coconut lands in Sri Lanka.
4. i. “Production function is defined by the maximum output that can be produced with a given input combination”. Explain.
ii. In which production stage would the rational producer like to operate?

Part two

5. i. Why is an agricultural policy necessary?
ii. Examine the different types of policy instruments employed in fulfilling price level objectives.
6. Discuss the following concepts in the context of research methodology and policy recommendations in agricultural sector in developing countries.
 - i. Belief
 - ii. Values
 - iii. Attitudes

7.
 - i. List the five approaches on rural development
 - ii. Which approach do you think would provide the best solution to the development problems of the rural communities?
8. Write short notes on two of the followings
 - i. Intensity of land use
 - ii. Agricultural capital and productivity
 - iii. Agricultural policy instruments at the farm level
 - iv. Total Factor Productivity and Marginal Productivity
 - v. Externalities and market mechanism

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