

THE OPEN UNIVERSITY OF SRI LANKA
 DEPARTMENT OF SOCIAL STUDIES
 BA DEGREE PROGRAMME IN SOCIAL SCIENCES – (2017/2018)
 FINAL EXAMINATION – SEMESTER II
 DSU5332/ SSU3132 – AGRICULTURAL ECONOMICS



DURATION: THREE HOURS (03 HOURS)

Date: 19th May 2018

Time: 09.30 a.m. – 12.30 p.m.

Instructions:

➤ Answer five (05) questions only.

1. (i) According to economic principles farmers have to use scarce resources. Explain why.
 (ii) Discuss various institutional constraints farmers face in developing countries.
2. (i) “Free market principles itself does not meet all needs of the people in agricultural sector in developing countries” Explain.
 (ii) How can government intervene to reduce impacts of market failure in small scale agriculture sector?
3. (i) Distinguish Absolute advantage from Comparative advantage using two agriculture products.
 (ii) Assess policy instruments used by the government to protect local producers in developing countries.
4. (i) Discuss the situations, where Government will have to interfere with the market prices.
 (ii) What are the different mechanisms, Government use to intervene, through agricultural pricing Policies in developing countries?
5. (i) Distinguish how land tenure affects agriculture practices
 (ii) Discuss the two major problems farmers face in the colonization schemes.
 (iii) Briefly, explain different policy instruments to address the above problems.
6. (i) Distinguish problems farmers face with different sources of credit.
 (ii) Explain steps taken by the institutional sector in this regard (i) and improvements required.
7. (i) What are the main reasons why farmers do not get a good price for their agricultural products?
 (ii) How can contract marketing help farmers? Are there disadvantages with this approach?

8. (i) Distinguish capital intensive from labour saving techniques in agricultural sector.
(ii) "Technical change has to continue without a stop because, population increases daily and their wants and aspirations are also changing and increasing" Explain.
9. Write short notes on **four (04)** of the following
- (i) Total and Partial Factor Productivity.
 - (ii) Green Revolution and modern agriculture.
 - (iii) Agricultural productivity and economic growth.
 - (iv) Agriculture based countries and Urbanized countries.
 - (v) Globalization and government interventions.
 - (vi) Tariff and Non-tariff Barriers.

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