



The Open University of Sri Lanka  
Faculty of Engineering Technology  
Diploma/Degree in Technology & Industrial Studies (Agriculture)  
Final Examination- 2008  
AEM 4234 Agricultural Economics & Management.

Date : 04 -04 - 2009  
Time : 0930-1230 hours  
Duration : Three (3) hours.

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**SECTION II**

1. Cost of a project would trim down the set objectives while benefits contribute to achieve objectives.
  - (a). Name five types of costs involved in agricultural projects and briefly explain each type.
  - (b) Discuss with examples methods of gaining benefits of agricultural projects by increasing the value of production.
2.
  - (a) Briefly explain how peasant agriculture differs from commercial agriculture in terms of;
    - i. utilization of the four factors of production
    - ii. Consumption / marketing of output.
  - (b) Comment on the negative effects of British colonial policy on domestic agriculture.
3. Write short notes on any four (4) of the following topics.
  - i. Biological nature of agriculture.
  - ii. Intangible costs & benefits.
  - iii. Feasibility studies
  - iv. Diffusion of Innovations
  - v. Early economic theories
4.
  - (a) Discuss the common features of underdeveloped countries.
  - (b) Explain with examples how the slow growth of agricultural sector affect the other sectors of the economy.
5.
  - (a) Briefly explain the importance of maintaining farm accounts.
  - (b) Discuss the components of the following farm records used in complete farm business analysis.
6.
  - (a) What do you understand by the 'Rural Vacuum Theory' of Agricultural extension?
  - (b) Discuss how extension agents contribute to fill this vacuum in rural areas by educating the farmers using various methods of extension education.