

THE OPEN UNIVERSITY OF SRI LANKA
 DEPARTMENT OF SOCIAL STUDIES
 BA DEGREE PROGRAMME IN SOCIAL SCIENCES – LEVEL 5
 FINAL EXAMINATION – 2018/2019
 DSU5332- AGRICULTURAL ECONOMICS



DURATION: THREE (03) HOURS ONLY

Date: 20.07.2019

Time: 9.30am- 12.30pm

Instructions:

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

- 1.a) What are the commonly used measures of economic development and growth?
(05 marks)
- b) Explain the importance of agricultural sector in achieving economic growth and development in a developing country? (15 marks)
- 2.a) Identify the current major agriculture related problems farmers are facing in Sri Lanka at present. (05 marks)
- b) Choose two of these and provide useful suggestions to improve the situation. (15 marks)
- 3.a) Explain what is meant by market failure in agricultural sector. (10 marks)
- b) Examine possible government interventions to reduce the negative impact of market failure in agriculture. (10 marks)
- 4.a) Explain what is meant by comparative advantage? (10 marks)
- b) Discuss the situations where trade policy is used to restrict agricultural imports? (10 marks)
- 5.a) Distinguish different types of Regional Trading Arrangements. (10 marks)
- b) Discuss the problems associated with RTA in developing countries with reference to the agricultural sector? (10 marks)
- 6.a) Differentiate the floor price and the ceiling price. (10 marks)
- b) Explain the use of 'floor price' and 'ceiling price' with suitable examples from the agricultural sector? (10 marks)
- 7.a) Explain how land tenure affects agricultural practices. (10 marks)
- b) Discuss the major challenges faced by farmers in the colonization schemes. (10 marks)

- 8.a) What are the factors that hinder farmers from getting a substantial price for their products? (10 marks)
- b) What can be suggested to improve the above situation. (10 marks)

9. Write short notes on **four** of the following. (05 marks each)

- I. Technological change and Technical change
- II. Contract Farming
- III. Domestic Resource Cost (DRC) and Terms of Trade
- IV. Agriculture based countries and Urbanized countries
- V. Traceability and value chain
- VI. New trends in agricultural production.

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