



The Open University of Sri Lanka  
 Faculty of Engineering Technology  
 Diploma/Degree in Technology & Industrial Studies (Agriculture)  
**Final Examination - 2015**  
**AEM4235 - Agricultural Marketing**

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**Date** : 09- 08-2015  
**Time** : 9.30 – 12.30 hours

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**SECTION II: Answer any four (04) questions**

1. (i) Name five (5) ways in which the agriculture sector can contribute to the economic development of Sri Lanka (5 marks).  
 (ii) Elaborate each of the five points given above (20 marks).
2. (i) What are the challenges of marketing the agricultural products locally (5 marks)  
 (ii) Discuss five of the above challenges (20 marks).
3. (i) Write down the equation of a supply function and name the variables. (5 marks)  
 (ii) Graphically illustrate how supply of a product changes with each of the independent variable. (10 marks)  
 (iii) What is cross price elasticity of demand? (3 marks)  
 (iv) Discuss how availability of substitutions would influence the price elasticity of supply of a good. (7 marks)
4. (i) Define direct marketing? (5 marks)  
 (ii) Discuss the different types of direct marketing systems practiced in Sri Lanka. (20 marks)
5. (i) What is meant by price fixing (ceiling)? (05 marks).  
 (ii) Suppose the government has decided to fix the price of paddy at Rs. 50/kg  
 a. Explain the implications if Rs. 50 is **above** the equilibrium price (10 marks)  
 b. Explain the implications if Rs. 50 is **below** the equilibrium price (10 marks)
6. Write short notes on **five (05)** of the following (5 marks each)
  - (i) Market chain
  - (ii) Product life cycle
  - (iii) Producer surplus
  - (iv) Dead weight loss
  - (v) Income elasticity of demand
  - (vi) Slotting fees