



The Open University of Sri Lanka
 Faculty of Engineering Technology
 Diploma/Degree in Technology & Industrial Studies (Agriculture)
Final Examination- 2016
AEM4235 - Agricultural Marketing

Date : 22-11-2016
Time : 9.30– 12.30 hours

SECTION II: Answer any four (04) questions

1.
 - i. What do you mean by economic development? (2 marks)
 - ii. What are the three sectors contributing to economic development? (3 marks)
 - iii. Name five (5) ways in which the agriculture sector can contribute to the economic development of Sri Lanka (5 marks).
 - iv. Elaborate **three (03)** of the points given above (15 marks)

2.
 - i. What is marketing? How it differs from selling. (5 marks)
 - ii. What are the challenges faced in marketing the agricultural products locally (5 marks)
 - iii. Discuss **five (05)** of the above challenges (15 marks).

3.
 - i. Write down the equation of a demand function and name the variables. (5 marks)
 - ii. Graphically illustrate how demand 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 demand of a good. (7 marks)

- 4.
- i. What do you mean by market penetration? (5 marks)
 - ii. What are the objectives of market penetration? (5 marks)
 - iii. Briefly describe the methods of market penetration. (5 marks)
 - iv. Briefly describe the ways of implementing a market penetration strategy. (10 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. Consumer surplus
 - ii. Dead weight loss
 - iii. Income elasticity of demand
 - iv. Slotting fees
 - v. Trend analysis of production and prices of fruits and vegetables
 - vi. Agricultural risks