

The Open University of Sri Lanka  
Faculty of Engineering Technology  
Department of Agricultural & Plantation Engineering



Study Programme : Bachelor of Industrial studies Honours in  
Agriculture

Name of the Examination : Final Examination

Course Code and Title : **AEM4234/AGM4534**  
**Agricultural Economics and Management**

Academic Year : 2018/19  
Date : 10<sup>th</sup> February 2019  
Time : 0930-1230hrs  
Duration : 3 hours

**SECTION II: Answer only four (04) questions.**

1.
  - i. What is understood by the term GDP? (10 marks)
  - ii. What are the components of GDP? (5 marks)
  - iii. What are the advantages of using GDP as a macroeconomic indicator? (2 marks)
  - iv. Briefly discuss short comings of measuring economic development using the GDP? (8 marks)
2. Write short notes on three (03) of the following in relation to sustainable agriculture. (25 marks)
  - i. Investment on organic fertilizer production
  - ii. Fertilizer subsidy
  - iii. Import tax on erosive crops like potato
  - iv. Sustainable agriculture
3.
  - i.
    - a. What are the six (06) functions of farm management? (3 marks)
    - b. Briefly explain three (03) of the above functions. (3 marks each)
  - ii.
    - a. What are the functions of Human Resources Management? (4 marks)
    - b. Briefly explain the importance of three (03) of these functions in relation to an agricultural enterprise. (3 marks each)

4. Suppose a farmer wanted to cultivate one hectare of Banana and she spent Rs. 80,000 to establish banana plants in the field (labor + machinery + planting material). She will have to spend Rs 10,000 annually as O&M costs from the second year and gross benefits from selling banana have been calculated as Rs. 5,000.00, 10,000.00, 25,000.00, 40,000.00, 40,000.00 and 35,000.00 respectively. Suppose the project ends in six years.
  - i. Develop the cost stream, benefit stream and net cash flow stream (5 marks)
  - ii. Calculate B/C ratio, NPV (assume a 10% discount rate) (10 marks)
  - iii. Describe how the IRR can be calculated (5 marks)
  - iv. Comment on your results (5 marks)
  
5. Write short notes on five (5) of the following topics (25 marks)
  - i. Inflation
  - ii. Cyclical unemployment
  - iii. Structural unemployment
  - iv. Rural credit
  - v. Market failure
  - vi. Externality
  
6. Discuss the impact of lifting the ban on Glyphosate on agricultural productivity and food security and its impacts on environment and food safety in Sri Lanka. (25 marks)