

Study Programme: Bachelor of Industrial Studies Honours in Agriculture
Bachelor of Technology Honours in Agriculture.



Name of the Examination : **Final Examination**
Course Code and Title : **AGM5475 Agricultural Economics & Management**
Academic Year : **2023/24**

Date : **3rd February 2025**
Time : **9.30-12.30hrs**
Duration : **3 hours**

Choose any four (4) questions from the following and provide your answers in the answer book.

Question No. 2

- i. What are the three main approaches to controlling the environmental pollution? (6 marks)
- ii. Discuss **two (2)** of the approaches in brief. (14 marks)

Question No. 3

Select **two (02)** of the following agricultural policies and discuss their impact on sustainable agriculture. (5 marks each)

- i. Imposing a guaranteed price for farmers on paddy by the government.
- ii. Fertilizer subsidy
- iii. Import tax on erosive crops (e.g. potato)
- iv. Imposing a maximum price for rice by the government

Question No. 4

- i. What are the **six (06)** functions of farm management? (2 marks)
- ii. Briefly explain **three (03)** of the above functions. (3 marks each)
- iii. Briefly explain the "**Farm Household System**". (3 marks)
- iv. Identify the performance criteria for evaluating a farming system. (3 marks)
- v. Briefly explain **three (03)** of the above criteria (9 marks each).

Question No. 5

A farmer intends to cultivate one hectare of bananas and has invested **2 million rupees** to establish banana plants in the field (land preparation + machinery + planting material + fertilizer + labour). The farmer will have to spend **Rs 600,000** annually as operation and maintenance costs from the second year. Suppose the project will end in **six years** and the expected yields from the second year are provided below.

Year 2	Year 3	Year 4	Year 5
25,000	38,000	29,000	17,000

If the average selling price of pineapple is **Rs. 60/kg**;

- Develop the cost stream, benefit stream and net cash flow stream for the above project (**5 marks**)
- Calculate B/C ratio, NPV (assume a **12%** discount rate) (**10 marks**)
- Describe how the IRR can be calculated (**5 marks**)
- Comment on your results (**5 marks**)

Question No. 6

Write short notes on the following topics (**4 marks each**)

- Total Economic Value of Resources
- Three Big Questions of Economics
- Travel Cost Method for Valuing Environmental Resources
- Renewable Resources
- Microfinancing and Microfinancing Institutions