RECE-003: AGRICULTURAL ECONOMICS

Term End Examination 2014

Maximum Marks: 100

Note: Answer any two questions from Section A and any five questions from Section B. Questions in Section A carry 20 marks each (to be answered in about 600 words each) and those in Section B carry 12 marks each (to be answered in about 350 words each). In the case of numerical questions word limits do not apply.

Section A

1. Good rural infrastructure promotes cultivation hence economic growth? justify this statement.

2. Discuss Binswanger's experiment on risk attitude in agriculture? Elaborate on the individual level and community level strategies available for farmer households to manage risks?

3. Discuss the issue of gender discrimination in rural employment in India. Examine their causes and consequences.

4. Why do cyclical price movements occur in case of agricultural commodities? Explain with the help of the Cobweb theorem.

Section B

5. In the context of agricultural credit, discuss the three well established methods of credit appraisal.

6. Explain the time-series approach to forecasting agricultural prices. How can Box-Jenkin's ARIMA improve the efficiency of your forecasts?

7. Present the formalized derivation for estimating the price elasticity of 'marketed surplus' proposed by Behrman. Do you agree that this is an improvement over the model suggested by Raj Krishna: why?

8. Given that: (i) output-labour ratio is 0.5, (ii) incremental output-labour ratio is 0.1, (iii) land-labour ratio is 0.1; (iv) incremental land-labour ratio is 0.01; and (v) share of land in income is 0.75:

(a) calculate Solow's measure of technical change; and
(b) if returns to scale is 1.1, labour usage is 100 units and incremental labour usage is 10 units, will the above measure of technical change be affected?

9. How are 'institutions' defined? What role do they play in ensuring growth with sustainability?

10. What is forward trading in agricultural commodities? What is the difference between 'hedging' and 'speculation'?

11. Distinguish between the four types of 'efficiency'. Can 'technical efficiency' be equal to 'economic efficiency'? Discuss.

12. What is the significance of 'decomposition' analysis? Illustrate this with an

13. production function which is represented to be $W = A X \cdot X$ where x is land

(a) Is the function given above homogeneous? If yes, what is the degree of homogeneity?
(b)
(c) If over time period, labour usage grows by 1 percent, what will be the

Section B