I

Choose the correct answer

1. Curve showing the various combinations of two products at a given resource level
   a) Iso resource curve  b) Iso product curve  c) Iso revenue line  d) Isoquant

2. An example for implicit cost
   a) Fixed cost  b) Cost of seed  c) Family labour cost  d) Land tax

3. The value of elasticity of production when marginal product is zero
   a) One  b) Zero  c) > 1  d) < 1

4. The time taken for an investment to be returned to the investor
   a) Life period  b) Pay back period  c) Gestation period  d) Crop duration

5. A line which passes through the point of tangency of different isoquants and isocost lines
   a) Isoline  b) Ridge line  c) Price line  d) Expansion path

State True or False

6. In a short run period all costs are variable

7. Least cost combination occurs where MRS = Price ratio

8. Marginal cost is the cost for each additional unit of input

9. Iso revenue line is the line showing the various combinations of two products at same total revenue

10. Family labour income is the difference between Gross income and Cost A

II

Write Short notes on ANY FIVE of the following (5x2=10)

1. Complementary and Supplementary relationships

2. Economies and diseconomies of scale

3. Flow resources and stock resources

4. Iso resource curves and iso product curves

5. Net present worth and BC Ratio

6. Specialization and diversification

7. Risk and Uncertainty

III

Answer ANY FIVE of the following (5x4=20)

1. Typical farm management decisions

2. Types of enterprise relationships

3. Law of Equi marginal returns

4. Cost function and cost curves

5. Declining balance method of computing depreciation

6. Valuation of farm land

7. Cooperative farming and Capitalistic farming

IV

Write an essay on ANY ONE of the following (1x10=10)

1. What is farm planning? Explain the steps in farm planning process. Discuss the characteristic of a good farm plan

2. What do you understand by production function? Explain the stages of production function with illustrations and diagrams. How will you find out the profit maximization point?

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