RAFFLES
UNIVERSITY

TEACHING PLAN: Fundamentals of Agricultural Economics

SCHOOL: (SOAS) SCHOOL OF AGRICULTURAL SCIENCES		**ACADEMIC SESSION: 2023-24**	**FOR STUDENTS' BATCH: 1st year 2nd Semester**
1	**Course No.**	AEC-T-101	
2	**Course Title**	**Fundamentals of Agricultural Economics**	
3	**Credits**	**2**	
4	**Learning Hours**	**Contact Hours** 48 **Assessment** 24 **Guided Study** 28 **Total hours** 100	
5	**Course Objective**	1. To study the significance of agriculture in economic development. 2. Provide orientation to the students regarding the concepts and measures of economic development. 3. Provide orientation on theories of economic growth and relevance of theories in developing countries. 4. To derive clear understanding of the basic micro and macro-economic principles as they apply to agriculture.	
6	**Course Outcomes**	1. Able to acquire knowledge and analytical skills in addressing the issues of economics and agricultural economics. 2. Understand the basic concepts, agricultural policies, banking system and its effect on sustainable agricultural development. 3. Understand the globalization, national income, tax and its impact on agricultural development and trade. 4. To be able to understand and synthesize the magnitude and structure of the markets, inflation and deflation, agriculture finance. 5. Understand the basic concepts and law of economics.	
7	**Outline syllabus:**		

7.01	**Paper Code**	**Unit**	**Introduction**	**Page Numbers**[1]	**Lectures**
7.02	AEC-101	Unit I	1. Economics: Meaning, scope and subject matter, definitions; Agricultural economics: meaning, definition, characteristics of agriculture, importance and its role in economic development; Approaches to	3-12	1 to 5

			economic analysis Micro and macro economics; Positive and normative analysis 2. Basic concepts: Goods and services, desire, want, demand, utility, cost and price, wealth, capital, income and welfare. Demand: meaning, law of demand, schedule and demand curve, determinants. Elasticity of demand: concept and measurement of price elasticity, income elasticity and cross elasticity. Cost: concepts, short run and long run cost curves; Short run and long run equilibrium of firm and industry 3. Supply: Stock v/s supply, law of supply, schedule, supply curve, Determinants of supply, elasticity of supply. Production: process, creation of utility, factors of production, input output relationship.		
7.03		Unit II	1. Distribution theory: meaning, factor market and pricing of factors of production. Concepts of rent, wage, interest and profit. 2. National Income: Meaning and importance, circular flow, concepts of national income accounting and Approaches to measurement, difficulties in measurement. 3. Laws of returns: Law of variable proportions and law of returns to scale. Market structure: meaning and types of market, basic features of perfectly competitive and imperfect markets. Price determination under perfect competition. shut down and break even points.	45-54	6 to 8
7.04		Unit III	1. Population: Importance, Malthusian and Optimum population theories, natural and socioeconomic determinants. Current policies and programmes on population control. 2. Classification of money, supply, general price index. Inflation and deflation. 3. Tax: meaning, direct and indirect taxes, agricultural taxation, VAT.	55-77	9 to 13
7.05		Unit IV	1. Agricultural and public finance: meaning, micro v/s macro finance, need for agricultural finance, public revenue and public expenditure 2. Banking: Role in modern economy, types of banks. Functions of commercial and central bank, credit creation policy. 3. Economic systems: Concepts of economy and its functions. Important features of capitalistic, socialistic and mixed economies, elements of economic planning.	85-117	14 to 16

8	**Course Evaluation**	
8.1	**CA: (**Assignments) **5%**	
8.11	**Attendance**	25%
8.12	**Homework**	50%
8.13	**Quizzes**	2 Quizzes-25%
8.14	**Projects**	
8.15	**Presentation**	
8.16	**Any other**	
8.2	**MTE**	30%
8.3	**End-term examination: 50%**	
9	**Text Books & References**	
9.1	**Text book**	1. Reddy, S.S. Raghu ram, P., Sastry, T.V.N. and Devi, I.B. Agricultural Economics (2021). Oxford & IBH Publishing Co. Pvt. Ltd., New Delhi.
9.2	**References**	1. Ahuja, H.I. Advanced Economic Theory: Microeconomics Analysis. S. Chand & Company Ltd. New Delhi.
	Video References	1. https://www.youtube.com/watch?v=6SDSWG8Arr8 2. https://youtu.be/wlmifvc0tDA?list=PL62muJtTPK40OLjcn9e2r8SGUG0oTSNgw 3. https://youtu.be/obmStIEWxh0?list=PL62muJtTPK40OLjcn9e2r8SGUG0oTSNgw 4. https://youtu.be/rGhtMT9XgFw?list=PL62muJtTPK40OLjcn9e2r8SGUG0oTSNgw&t=3 5. https://youtu.be/rGhtMT9XgFw?list=PL62muJtTPK40OLjcn9e2r8SGUG0oTSNgw 6. https://youtu.be/yao8b_blOJQ?list=PL62muJtTPK40OLjcn9e2r8SGUG0oTSNgw 7. https://youtu.be/ltfUnLMdnuY?list=PL62muJtTPK40OLjcn9e2r8SGUG0oTSNgw 8. https://youtu.be/ltfUnLMdnuY?list=PL62muJtTPK40OLjcn9e2r8SGUG0oTSNgw 9. https://youtu.be/2QdGkyZG3Lk?list=PL62muJtTPK40OLjcn9e2r8SGUG0oTSNgw 10. https://youtu.be/2QdGkyZG3Lk?list=PL62muJtTPK40OLjcn9e2r8SGUG0oTSNgw 11. https://youtu.be/UeCHI9aEUYA?list=PL62muJtTPK40OLjcn9e2r8SGUG0oTSNgw

Mapping of Outcomes v. Topics

Outcome no. → Syllabus topic↓	1	2	3	4	5
Paper Code.Unit I (1)	✓	✓			
Paper Code. Unit I (2)	✓	✓			
Paper Code. Unit I (3)	✓	✓			
Paper Code.Unit I(4)	✓	✓			

Paper Code. Unit II(1)			✓		
Paper Code. Unit II(2)			✓		
Paper Code.Unit II(3)			✓		
Paper Code.Unit III(1)				✓	
Paper Code. Unit III(2)				✓	
Paper Code. Unit III(3)				✓	
Paper Code. Unit IV(1)					✓
Paper Code.Unit IV(2)					✓
Paper Code. Unit IV(3)					✓

Question Bank

UNIT-I:

A. Objective Questions

1. The word “economics is derived from the word
a. Latin
b. Greek
c. French
d. Arabic

2. Father of Modern Economics is

a. J.M. Keynes
b. Marshall
c. Adam Smith
d. Robbins

3. The book “Wealth of Nations” written by

a. J.M. Keynes
b. Marshall
c. Adam Smith
d. Robbins

4. Human wants are

(a). Unlimited
(b). Limited
(c). Endless
(d). None

5. The creation of utility by the way of marketing is called as

a. Production
b. Distribution
c. Consumption

d. Exchange

B. Write short notes on following head-

1. Importance of Micro-economics
2. Role of Macro-economics
3. Law of demand
4. Elasticity of demand
5. Input output relationship

C. Descriptive Question

1. Write about characteristics of agriculture, importance and its role in economic development.
2. Write down the approaches to economic analysis of Micro and macro economics.
3. Illustrate about the concept and measurement of price elasticity, income elasticity and cross elasticity.
4. What is Production. Write about its process, creation of utility and factors of production.
5. Write a brief account of short run and long run equilibrium of firm and industry.

UNIT- II

A. Objective Questions

1. The cost incurred by a farmer for pumping irrigation water is

(a). Fixed Cost
(b). Variable Cost
(c). Marginal Cost
(d). Average Cost

2. Deductive method is also known as

(a). Analytical method
(b). Abstract method
(c). Apripori method
(d). All of the above.

3. Anything that satisfies a human want is called

(a). Money
(b). Price
(c). Goods
(d). Value

4. The goods those supply is less than demand

(a). Economic goods
(b). Free goods
(c). Both
(d). None

5. The goods that are used only once to satisfy a need is called as
a. Producer goods
b. Mono-period goods
c. Poly-period goods
d. Consumer goods

C. Write short notes on following heads-
1. Law of returns to scale
2. Distribution Theory
3. National Income
4. Various agricultural implements and methods used for harvesting and storage of crops.
5. Advantages and disadvantages of Organic Farming.

D. Descriptive Question
1. Define Money. Describe about major functions of Money.
2. Describe the flow of National Income in a closed economy without government (use suitable diagram).
3. Distinguish between demand for a commodity and demand schedule.
4. Discuss in details about various factors that affect demand for a commodity with suitable diagrams.
5. Distinguish between GNP and GDP.

UNIT-III

A. Objective Questions

1. Fertilizer, pesticides are the example of
a. Composite demand
b. Derived demand
c. Market demand
d. Individual demand

2. Giffen goods are also called
a. Superior goods
b. Inferior goods
c. Both
d. None

3. In the case of perfectly elastic demand, the demand curve will be

a. Parallel to Y-axis
b. Parallel to X-axis
c. Straight line
d. Vertical line

4. In unitary elastic demand the elasticity of demand will
a. Less than unity
b. Greater than unity
c. Unity

d. Zero

5. In relative elastic demand the elasticity of demand will
a. Less than unity
b. Greater than unity
c. Unity
d. Zero

B. Write short notes on following head-
1. Classification of money
2. Inflation and deflation.
3. General price index
4. Agricultural taxation
5. VAT

C. Descriptive Question
1. Write the need for public expenditure?
2. Write down the major source of public revenue?
3. Write down the kind of demand and explain the elasticity of demand?
4. Describe the Law of Diminishing Marginal Utility?
5. Explain the Law of Equi-Marginal Utility?

UNIT-IV

A. Objective Questions

1. Transportation creates utility
a. Time utility
b. Place utility
c. Possession utility
d. Form utility

2. Transfer of ownership is the example of which utility
a. Time utility
b. Place utility
c. Possession utility
d. Form utility

3. When the value of good is expressed in terms of money, it is called
a. Value
b. Price
c. MRP
d. None

4. In which market structure, seller has no control over price?
a. Monopoly
b. Perfect competition
c. Oligopoly
d. Monopsony

5. The goods which are used again and again are
   a. Producer goods
   b. Poly-period goods
   c. Mono-period goods
   d. Durable goods

B. Write short notes on following head-

1. Opportunity costs
2. Barter system of exchange.
3. Capitalism
4. Importance of agriculture in Indian economic structure.
5. Classical economics

C. Descriptive Question

1. Write down the assumptions of cardinal and ordinal approach of utility analysis.
2. Define price discrimination. Using suitable diagrams, describe price and output determination in a perfectly competitive market.
3. Write down the Malthusian theory of population?
4. Write the effect of population growth on Economic development?
5. Write down the Classification of market structure in India?