

International Islamic University Chittagong

Department of Economics & Banking

Mid-term Examination; Spring-2024

Program: BSS (Hons) in Economics & Banking

Course Code: ECON-2401

Course Title: Agricultural Economics

Time: 1.5 Hours Full Marks: 30

[Answer all of the following questions. Figures in the right margin indicate full marks.]

QN	Description of Questions	Marks	CLOs & PLOs	Cognitive learning
1.(a)	Create an appropriate supply function of an agricultural commodity. Why the setting of this supply function should be dynamic instead of static? Justify.	5		Understand
(b)	Consider the following hypothetical Cobb-Douglas production function:	5	CLO-2, PLO-3	Evaluate
$Q = 60L^{0.52}K^{0.48}$				
<p>Where Q = 1,400 metric tons of quinoa, price per unit of labour and capital are \$40 and \$20 respectively. Find out the Optimum combination of labour and capital in order to produce the given level of quinoa.</p>				
2(a)	Explain the concept. of the diffusion of technology? Classify the people according to the adaptation of a new technology in the agricultural sector.	2	CLO-2, .PLO-3	Analyze
(b)	Suppose, a farmer produces different agricultural products. Through some intensive research and development works, a new organic fertilizer has been invented for which the production doubled. Evaluate the effect of such technological progress in a product-product relationship.	4		Evaluate
(c)	Differentiate between the two alternative policy such as income supplement and food subsidy from the perspective of a government.	4		Analyze
3(a)	Define production possibility frontier (PPF). Collaborate the concept of iso-revenue line and PPF to describe the economic optimum of product-product relationship.	5	CLO-1	Create
(b)	Certainty model and uncertainty model do not give same kind of outcome. Explain your answer on the basis of Roy's 'safety first principle'.	5	PLO-5	Analyze
3.	Write Notes on:	3+4+3		
	(a) Asset fixity in agriculture		CLO-1	Remember
	(b) The competitive model of input demand		PLO-5	
	(c) Major challenges of agricultural sector in Bangladesh			