



Name :

Roll No. :

Invigilator's Signature :

CS/MMA/SEM-3/MMA(RM)302/2012-13

2012

AGRO MANAGEMENT

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

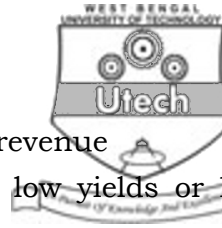
GROUP – A

(Multiple Choice Type Questions)

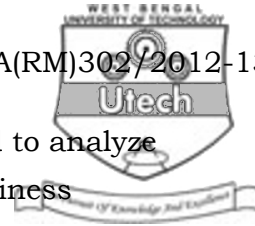
1. Choose the correct alternatives for any *ten* of the following :

10 × 1 = 10

- i) The law of supply states that, holding other things constant
 - a) as price rises, supply will rise
 - b) as price rises, supply will decline
 - c) as price falls, quantity supplied rises
 - d) as price falls, quantity supply declines.
- ii) A principal payment on a loan is normally included as
 - a) an expense on an income statement
 - b) a use of cash on a cash flow statement
 - c) a source of cash on a cash flow statement
 - d) all of these
 - e) none of these.



- iii) Crop insurance products that key off revenue
 - a) can pay a loss based on either low yields or low prices
 - b) are a tool to help offset the increased risk associated with high input prices
 - c) can become very expensive to purchase in an area that has suffered several years of low yields
 - d) none of these
 - e) all of these.
- iv) For purposes of deducting expenses when preparing income taxes, which assets are not normally depreciated ?
 - a) Raised breeding livestock
 - b) Crops in the field
 - c) Livestock purchased for resale
 - d) Land
 - e) All of these.
- v) If the price of a commodity is too high, the supply will be greater than the demand resulting in a
 - a) Boycott
 - b) Surplus
 - c) Monopoly
 - d) Shortage.
- vi) As the price of nitrogen fertilizer increases relative to the price of wheat, the most profitable level of fertilization most likely
 - a) increases
 - b) stays the same
 - c) decreases
 - d) becomes negative.
- vii) If I produce more corn, forcing me to produce less soybeans, then those two enterprises are on my farm.
 - a) competitive
 - b) supplementary
 - c) complementary
 - d) all of these
 - e) none of these.



- viii) The accrual income statement is used to analyze
- a) the equity position of a farm business
 - b) solvency
 - c) profitability
 - d) all of these
 - e) none of these.
- ix) The role of price in a free market is to serve as a guide
- a) in controlling quantity supplied
 - b) in limiting quantity demanded
 - c) in deciding the appropriate input mix to use
 - d) in deciding what, when and how much to produce
 - e) all of these.
- x) Diversification into multiple crop and livestock enterprises will tend to
- a) increase income and increase risk
 - b) decrease income and increase risk
 - c) decrease risk and increase income
 - d) decrease risk and decrease income.
- xi) In order to maximize profit, business managers should
- a) maximize production
 - b) minimize total costs
 - c) minimize average costs
 - d) maximize average production
 - e) set marginal cost equal to marginal revenue.
- xii) In the event the business is forced to liquidate, which of the following would have last claim on the proceeds ?
- a) Mortgage
 - b) Accounts payable
 - c) Holder of common stock
 - d) Unsecured creditors.



- xiii) The primary advantage of leasing a major asset as compared to purchasing is that leasing
- a) reduces your income taxes
 - b) increases your depreciation
 - c) releases capital for other uses
 - d) improves output per workers
 - e) costs less in the long run.
- xiv) Diseconomies of scale means that
- a) total costs increase as the enterprise gets larger
 - b) large firms are always more profitable
 - c) per unit cost of production decreases as the enterprise gets larger
 - d) per unit costs of production increases as the enterprise gets larger.
- xv) Compounding means
- a) calculating a present value
 - b) calculating a future value
 - c) calculating a loan payment
 - d) amortizing a loan
 - e) none of these.
- xvi) Own price elasticity of demand measures
- a) the responsiveness of quantity demanded to price
 - b) the responsiveness of price to quantity demanded
 - c) the responsiveness of supply to demand
 - d) all of these
 - e) none of these.



- xvii) Which statement shows a snapshot of a firm's financial position at a point in time ?
- a) Accrual basis income statement
 - b) Cash flow statement
 - c) All of these
 - d) None of these.
- xviii) For a normal good, a decrease in income will lead to
- a) a movement up the demand curve
 - b) a leftward shift of the demand curve
 - c) a rightward shift of the demand curve.
- xix) Which type of cost decreases during a short-run production period as the level of output is increased ?
- a) Average Fixed Cost b) Total Fixed Cost
 - c) All of these d) None of these.
- xx) Regularly scheduled family business meetings can
- a) improve stakeholder interaction
 - b) keep the business on track
 - c) improve business performance
 - d) none of these
 - e) all of these.
- xxi) A business is solvent if
- a) value of total assets exceeds value of total liabilities
 - b) net worth is positive
 - c) equity is positive
 - d) all of these
 - e) none of these.



- xxii) Assume the goal is to maximize profit. An appropriate tax management strategy for the farm business over time is
- a) minimize tax obligations each year
 - b) maximize short-run pre-tax profit
 - c) not consider tax implications when making management decisions
 - d) all of these.
- xxiii) A government farm program that increased direct payments while lowering target prices and loan rates would
- a) benefit producers more when supplies are large and individual farmers raise a large crop
 - b) benefit producers most who have a crop failure during times of low prices
 - c) cause more problems with the World Trade Organisation
 - d) Help irrigation farmers more than dry land farmers.
- xxiv) Financial risk can be managed by
- a) borrowing money
 - b) routinely hedging
 - c) maintaining a low debt/asset ratio
 - d) quitting the off farm job to become a farmer.

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following $3 \times 5 = 15$

2. Discuss the development of agro-based industries.
3. State the problems & prospects of agro based industries.
4. Elucidate the strategies in agro management.
5. Discuss the marketing role in strategic planning.
6. What is the meaning of agri-food chain in real world ?



GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

7. What is Agribusiness ? Discuss its importance in current scenario. $6 + 9$
8. What do you understand by market power in the perspective of Indian Agribusiness ? Classify market from various angles. $7 + 8$
9. What are the various methods involved to regulate unfair practices of Indian agri-business firms ? What are agricultural prices ? $10 + 5$
10. What is the importance of the term 'consumer behaviour' in Indian agri-business perspective ? Discuss it in detail.
11. What is E-business ? What is the meant by 'creating value in the E-agribusiness World ? $6 + 9$

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