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Daffodil International University

Department of Agricultural Science
Faculty of Agriculture Sciences
Mid-term Examination, Fall 2026

Course Code: 0311-111 **Course Title:** Fundamentals of Agricultural Economics
Level-Term: L1-T2 **Section:** 262 (A, B, C, D) **Teacher's Initial: MA**
Time: 1 hour and 30 minutes **Full Marks:** 25

"Split answering is strictly prohibited"

			Marks
1.	a. Define modern definition of economics and explain in your own words. b. What is agricultural economics? List any four areas covered by agricultural economics.	PLO1, CLO1, C1	3 + 2
2.	Rahim has one bigha of land, limited money, and family labour. He wants to grow crops on his farm targeting upcoming Ramadan. **Mention and explain any five fundamental economic problems** Rahim must consider like every economy does. Give one example from his farm for each problem.	PLO1, CLO2, C3	5
3.	a. What is utility in economics? b. Read the following cases. Identify and define the type of utility in each case. i. Wheat flour is processed into a lovely birthday cake. ii. A farmer sells paddy to a buyer who wants to purchase it. iii. Vegetables are transported from Manikganj to a market in Dhaka. iv. Potatoes are stored in cold storage and sold during the off-season.	PLO2, CLO2, C2	1 + 4
4.	A farmer applies increasing amounts of fertilizer to his field. Initially, each additional unit of fertilizer increases production significantly. However, after a certain point, the additional increase in crop production becomes smaller. a. State the Law of Diminishing Marginal Utility. b. **Complete the table by calculating Marginal Product (MP).** c. Graphically develop the relationship between TP and MP. Briefly explain the relationship between them.	PLO5, CLO2, C4	1 + 1 + 3
5.	a. What does the theory of consumption explain how consumers make choices? b. Suppose you have Tk. 1,500 to buy food for one week. You can choose from *rice, fish, meat, eggs, milk, vegetables, cooking oil, spices, ~~fruits~~, tea/coffee, sugar and ~~honey~~*. **Prepare a simple budget table** showing how much money you would spend on different food items. Follow 3 balanced and nutritious meals a day. Make sure your total spending does not exceed Tk.1,500. Assume you have no other expenses.	PLO3, CLO2, C4	1 + 4

Fertilizer applied (units)	Total Product (TP)	Marginal Product (MP)
0	0	-
1	20	
2	38	
3	53	
4	64	
5	70	
6	70	
7	62	
8	46	