

EASTERN UNIVERSITY, SRI LANKA

FINAL YEAR 1ST SEMESTER EXAMINATION IN AGRICULTURE-2018 (2014/2015)

EC 4107: AGRICULTURAL MARKETING

Time: 02 hour

Answer ALL questions.

1. a) Why is marketing important to farmers/food producers? (05 mks)

b) Briefly explain the following terms;

i) Marketing Channel (05 mks)

ii) Marketable Surplus (05 mks)

iii) Market Retailers & Wholesalers (05 mks)

c) What are the utility functions that marketing perform. (05 mks)

2. a) Briefly describe the components of a market. (05 mks)

b) Classify markets on the basis of area of operation. (05 mks)

c) Describe briefly the characteristics of farm produce in relation to

i) Perishability of produce,

ii) Seasonality of production,

iii) Bulkiness of farm products and

iv) Variation in quality of product. (15 mks)

3. a) What is Price Spread and how is it measured? (05 mks)

b) "The cost involved in moving the farm product from the point of production to the point of consumption is defined as Marketing Costs". Explain briefly. (10 mks)

c) What is Marketing Efficiency? (05 mks)

d) Describe the term Market Integration in a region. (05 mks)

(PTO...p.2)

4. a) Graphically explain the concepts of Perfectly Inelastic Demand, Perfectly Elastic Demand and Unit Elastic Demand for a product. (05 mks)

b) Explain briefly the concept of Cross Price Elasticity of Demand, and then fill the Table given below indicating whether elasticity will be positive, negative or zero with suitable farm product examples for each category. (05 mks)

If the products/goods are ...	Cross-Price Elasticity of demand will be ...	Example
1. Substitutes		
2. Complements		
3. Unrelated		

c) i) What do you understand by the concept of Income Elasticity of Demand? (05 mks)

ii) When the household income was Rs.30,000 per month, the quantity of broiler meat consumed was 16 kgms per month, but when the household income increased to Rs.50,000 per month, the quantity of broiler meat consumed fell to 10 kgms per month.

a) Calculate the income elasticity of demand for broiler meat.

b) Explain whether demand for broiler meat is income elastic or income inelastic and

c) State whether broiler meat is a Normal good or an Inferior good. (05 mks)

d) Briefly explain the meaning of Elasticity of Supply. Why is the elasticity of supply for farm products inelastic? (05 mks)
