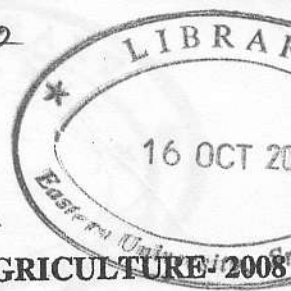


2008/20/2



EASTERN UNIVERSITY, SRI LANKA

SECOND YEAR FIRST SEMESTER EXAMINATION IN AGRICULTURE 2008

AEC 2101: APPLIED FARM MANAGEMENT (THEORY)

Answer All questions

Time: 1 Hour

-
1. a) Write a brief account on Decision making process.
b) What do you mean by marketing risks?
c) List the production risk tools.
d) What is crop/ livestock insurance?

 2. a) What do you mean by a farm record?
b) Discuss the purpose and use of farm records in farm management.
c) Briefly discuss the valuation methods used in farm management.
d) List the objectives of farm management
- Reaction shown below:
- $$Y = 8_1 X_1 - 0.1 X_1^2 - 0.4 X_2^2$$
- a. If the input X_2 is fixed at 5, find the value of X_1 for maximum Y
b. Find the level of X_2 when $AP=0$
3. a. What do you understand by the term "Investment Analysis" and briefly explain any 3 methods of analyzing and comparing investments?
b. Find the most profitable investment by using the Net Present Value (NPV) method using the information given below for investments A and B.

(Contd. ...)