ST. JOSEPH’S COLLEGE FOR WOMEN (AUTONOMOUS) VISAKHAPATNAM

B.SC.(HONORS) AGRICULTURE AND RURAL DEVELOPMENT WITH SINGLE MAJOR

# I SEMESTER **AGRICULTURE AND RURAL DEVELOPMENT** Time: 3hrs/week

AGRD141 (2)  **AGRICULTURAL ECONOMICS**  Marks:50

w.e.f AK 2023-2024 (Admitted batch) **SYLLABUS**

**OBJECTIVES:**

* To analyse Agricultural Crop Price determination.
* To analyse the Market Structures.
* To analyse the practices followed in Agriculture.

**Course Outcomes:**

**CO1:** Apply concepts and terms of economics to the agricultural sector.

**CO2:** Explain characteristics of wealth, welfare, needs and surplus and laws of marginal

utility.

**CO3**: Outline different aspects of demand and supply, essentials of market, pricing and

competition.

**CO4**: Summarize the concepts of national income, classification and cannons of taxation,

features of public and private finance, sources of public revenue and public

         expenditure, concepts of inflation, types, causes and control of inflation.

**UNIT – I: (2Hrs.)**

1. Economics – meaning – definitions – subject matter of economics – traditional approach consumption, production, exchange and distribution.
2. Modern approach – microeconomics and macroeconomics – methods of economic investigation – deduction and induction.
3. Agricultural economics – definitions – meaning – importance of agricultural economics – branches of agricultural economics
4. Agricultural production economics – meaning – definitions – subject matter – objectives; Farm management – meaning – scope – definitions – objectives
5. Agricultural finance – meaning – definitions – micro vs macro finance – need for agricultural finance; Agricultural marketing – meaning – definition – importance of agricultural marketing.
6. Basic terms and concepts in economics – goods and services – free and economic

        goods, utility – cardinal and ordinal approaches – characteristics of utility – forms of

        utility.

**UNIT – II: (2 Hrs.)**

1. Value – definition – characteristics; price – meaning; wealth – meaning attributes of wealth – types of wealth – distinction between wealth and welfare; Wants – meaning characteristics of human wants
2. Law of diminishing marginal utility – statement – assumptions of law explanation – limitations of the law – importance
3. Law of equi-marginal utility – meaning – assumptions – explanation of the law – limitations of the law – practical importance
4. Consumer’ s surplus – meaning – assumptions – explanation – difficulties in measuring consumer’s surplus – importance
5. Demand – meaning – definition – types of demand – income demand, price demand and cross demand.

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**UNIT – III: (2 Hrs.)**

1. Elasticity of demand – meaning – elastic and inelastic demand – kinds of elasticity of demand – perfectly elastic, perfectly inelastic, relatively elastic, relatively inelastic and unitary elastic demand.
2. Price elasticity – income elasticity and cross elasticity of demand – practical importance of elasticity of demand.
3. Supply – meaning – definition – Law of supply – supply schedule – supply curve.
4. Increase and decrease in supply – contraction and extension of supply – factors

        affecting supply.

1. Elasticity of supply – kinds of elasticity of supply – perfectly elastic, perfectly inelastic

   relatively elastic, relatively inelastic and unitary elastic – factors affecting   elasticity

    of supply.

**UNIT – IV: (2 Hrs.)**

1. Characteristics of monopolistic competition – monopoly and oligopoly
2. National income – concepts of national income – gross domestic product, gross   national product, net national product, net domestic product – national income at factor cost, personal inco me, disposable income
3. Methods of measurement of national income – product method, income method and expenditure method
4. Public finance – meaning – role and importance of public finance – functions of the

     government – differences between public finance and private finance

1. Public revenue – meaning – major and minor sources of public revenue

**UNIT – V: (2Hrs.)**

1. Public expenditure – meaning – need for public expenditure – social and economic         overheads, balanced regional growth, development of agriculture and industry, exploitation and development of mineral resources and subsidies and grants to provinces, local governments, and exporters
2. Principles of public expenditure – Principle of maximum social benefits Principle of economy, *i. e.,* wasteful expenditure should be avoided, Principle of sanction, *i. e.,* authorized expenditure, Principle of balanced budget, Canon of elasticity, *i.e.,* fairly flexible and Avoidance of unhealthy effects on production and distribution
3. Inflation – meaning – definition – related concepts of inflation – *deflation, disinflation,* stagflation *and reflation* – measurement of inflation - consumer price index, wholesale price index, producer price index and GDP deflator
4. Types of inflation – demand pull and cost push inflation – comprehensive and sporadic inflation – suppressed and repressed inflation – creeping, walking, running and galloping inflation – mark up inflation
5. Causes of inflation – factors causing increase in demand – increase in money supply, increase in disposable income, increase in public expenditure, increase in consumer spending, cheap monetary policy, deficit financing and increase in exports, factors causing sho rtage of supply – shortage of factors of production, industrial disputes, natural calamities, artificial scarcities, increase in exports, lop -sided production, Law of diminishing returns and international factors

**References Text Books:**

1. Dewett, K.K. and Chand, A. 1979. *Modern Economic Theory.*

2. S. Chand and Co., New Delhi. Dewett, K.K. and Varma, J.D. 1986. *Elementary Economics.*

3. S. Chand and Co., New Delhi. Jhingan, M. L. 1990. *Advanced Economic Theory.* Vikas Publishing House, New Delhi.

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