A **Reg. No. :** | | | | | | | | | | | | |

Question Paper Code: U7A01

B.E. / B.Tech. DEGREE EXAMINATION, NOV 2025

Seventh Semester

Agricultural Engineering

21UAG701-FARM MANAGEMENT AND FINANCE

(Regulations 2021)

Duration: Three hours Maximum: 100 Marks

Answer ALL Questions

PART A - (10 x 1 = 10 Marks)

1. The difference between the local cash market and the futures market is called the CO1- U

   (a) Average (b) Basis (c) Contract (d) all the above

2. The income capitalization method in farm valuation is primarily based on: CO1- U

   a) Future earning b) Historical cost c) Market price d) Cost of machinery

3. In Uttar Pradesh____% population engaged in Agriculture CO1- U

   (a) 59.3 (b) 50.9 (c) 43 (d) 30.2

4. The producer sells with futures contract, the buyer becomes the CO1- U

   (a) Marketer (b) Risk taker (c)) Consumer (d) Aggressor

5. Example of intangle goods CO1- U

   (a) Groundnut cake (b) Coconut cake (c) Soil (d) air

6. GDP expanded as CO1- U

   (a) Gross Domestic plot (b) Gross Domestic Product

   (c) Gross vs Plan (d) None of the above

7. Farmyard manure refers to the CO1- U

   (a) decomposed mixture of dung (b) pungam

   (c) Red gram (d) Both a & b

8. The fixed cost of farm machinery includes: CO1- U

a) Fuel cost b) Lubricants c) Depreciation d) Repair charges

9. The shape of production curve is _____to origin. CO1- U

(a) Product (b) Production function

(c) Production (d) all the above

10. The main purpose of farm budgeting is to: CO1- U

a) Past farm activities b) Future costs and returns

c) Labour efficiency d) Minimize government taxes

PART – B (5 x 2= 10 Marks)

11. List any two basic concepts in farm management. CO1- U

12. Differentiate between fixed cost and variable cost. CO1- U

13. What is an expansion path? CO1- U

14. Describe the different types of farm resources. CO1- U

15. Define cash flow analysis. CO1- U

PART – C (5 x 16= 80Marks)

16. (a) Analyze how farm records and accounts help in improving decision-making and resource allocation in farming. CO5-Ana (16)

Or

(b) Analyze the use of budgeting methods in farm management to improve financial performance CO5-Ana (16)

17. (a) Apply the equi-marginal principle to allocate irrigation water among crops. CO2- App (16)

Or

(b) Use factor relationship analysis to show the effect of substituting capital for labour. CO3- App (16)

18. (a) Demonstrate how isoquant curves are used to choose between land and labour combinations. CO2- App (16)

Or

(b) Apply cost curves to identify output levels for maximizing profit in tomato production. CO3- App (16)

19.	(a)	Apply managerial decisions to reduce uncertainty in crop production caused by fluctuating market prices.	CO4- App	(16)
		Or		
	(b)	Demonstrate how measurement of labour efficiency can help a farmer allocate workers during peak seasons.	CO4- App	(16)
20.	(a)	A farmer cultivates 2 hectares of sugarcane. He spends Rs.40,000 on operational costs (labour, seeds, fertilizers, irrigation), Rs.10,000 on fixed costs (depreciation, interest on capital), and the rental value of land is Rs.20,000. He harvests 100 tonnes of cane, valued at Rs.3,000 per tonne. □ Estimate Cost A1, Cost B2, and Cost C2. □ Calculate the Cost of Production per tonne of cane.	CO5-Ana	(16)
		Or		
	(b)	A farmer has the following costs in cultivating 1 acre of sugarcane: • Fixed cost = Rs.15,000 • Variable cost = Rs.35,000 • Yield = 50 tonnes, Price = Rs.1,200 per tonne. • Compute Total Cost, Average Cost, Marginal Cost (if yield increases to 55 tonnes with Rs.5,000 extra cost). • Evaluate profitability and comment on sustainability.	CO5-Ana	(16)