Daffodil International University
Department of Agricultural Science
Faculty of Agriculture Sciences
BSc. in Agricultural Science
Final Examination - Summer 2026

Course Code: 0311-111
Level-Term: L1-T2
Time: 2 Hours
Course Title: Fundamentals of Agricultural Economics
Section: 261 A
Teacher's Initial: MA
Full Marks: 40

"Split answering is strictly prohibited"

1.	Mr. Murad Hossen sees a bunch full of fresh red roses at DIU Gate 2 and thinks, "I wish I could buy all of these!" But in Economics, his wish alone does not count as demand. Define 'demand'. Explain the essential components that turn a simple wish into economic demand.	PLO4 CLO2 C1, C3	2+3
2.	Mr. Karim buys 2 kg of potatoes a week when the price is Tk. 30/kg. When the price falls to Tk. 20/kg, he buys 4 kg a week. Based on Mr. Karim's behaviour, a. State the law of demand b. Explain the relationship between the price and the quantity demanded of potatoes using the given data.	PLO4 CLO2 C1, C4	2 4
3.	Draw a single, clearly labelled demand curve to show the extension and contraction of demand. Explain how changes in the price of goods lead to movement along the same demand curve.	PLO1 CLO3 C4	4+2
4.	Mr. Rahim's monthly income rises from Tk. 8,000 to Tk. 10,000. As a result, his purchase of milk increases from 4 litres to 6 litres per month. a. What type of elasticity is shown here? b. Calculate the elasticity for milk, showing all steps required including. c. Based on your calculated elasticity, identify what type of good milk is.	PLO6 CLO4 C2, C3, C4	1 4 1
5.	A group of potato farmers in Bogura produced a large harvest by using HYV seeds and modern technology. They stored most of their potatoes in cold storage for future sell. Later, the market price of potatoes increased because of higher consumer demand. Seeing the higher price, the farmers decided to sell more potatoes in the market. a. Define supply and mention its key components. b. Based on the above situation, analyze the factors that influenced the farmers' decision to increase the supply of potatoes. c. State law of supply. Using the hypothetical price schedule, draw a supply curve and justify how it supports the law of supply.	PLO6 CLO4 C2, C4, C5	2 2 4
6.	a. Define National Income and mention what it represents of a country. b. Explain the expenditure approach of measuring GDP with appropriate equations and explanation.	PLO7 CLO5 C2, C3	2 3
7.	**Answer anyone (01) question.** a. Define tax and explain classifications of taxation **OR** b. Define inflation and explain kinds of inflation	PLO7 CLO5 C1, C2	1+3

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