

DEPARTMENT OF AGRICULTURAL ECONOMICS

Course Code	Course Title	Credit Hours
	Compulsory Courses	
AG-204	Fundamentals of Agricultural Economics	2(2+0)
AG-305	Agricultural Finance and Co-operation	3(2+1)
AG-504	Agricultural Marketing, Trade and Prices	3(2+1)
AG-604	Farm Management, Production and Resource Economics	2(1+1)
	Elective Course	
AGE-51	Agri-business Management	3(2+1)

AGRICULTURAL ECONOMICS

1. Fundamentals of Agricultural Economics

2(2+0) AG-204 Theory

Economics: meaning, scope and subject matter, definitions, activities, approaches to economic analysis; micro and macro-economics, positive and normative analysis. Nature of economic theory: rationality assumption, concept of equilibrium. Basic concepts: Goods and services, desire, want, demand, utility, cost and price, wealth, capital, income and welfare. Agricultural economics: meaning, definition, characteristics of agriculture, importance and its role in economic development. Agricultural planning and development in the country, Demand: meaning, law of demand, demand schedule and demand curve, determinants, utility theory: law of diminishing marginal utility, equi-marginal utility principle. Consumer's equilibrium and derivation of demand curve, concept of consumer surplus. Elasticity of demand: concept and measurement of price elasticity, income elasticity and cross elasticity. Production: process, creation of utility, factors of production, input-output relationship. Supply: Stock v/s supply, law of supply, supply schedule, supply curve, determinants of supply, elasticity of supply. Basic features of perfectly competitive and imperfect markets, Concepts of rent, wage, interest and profit, National Income: meaning and importance, concepts of national income accounting. Population: importance, natural and socio-economic determinants. Money: meaning and functions of money, classification of money, money supply, inflation and deflation. Tax: meaning, direct and indirect taxes, agricultural taxation, VAT, Economic systems: important features of capitalistic, socialistic and mixed economies.

2. Agricultural Finance and Co-operation

3(2+1) AG-305

Theory

Agricultural Finance: meaning, scope and significance, credit needs and its role in Indian agriculture. Agricultural credit: meaning, definition, need, classification. Credit analysis; 3R's, 3C's and 7P's of credit. Sources of agricultural finance: institutional and non-institutional sources, commercial banks, social control and nationalization of commercial banks, RRBs. Micro financing including KCC, SHGs, Lead bank scheme, Crop Insurance Scheme, Scale of finance and unit cost, Cost of credit. An introduction to higher financing institutions – RBI, NABARD, Insurance and Credit Guarantee Corporation of India, Recent development in agricultural credit, Preparation and analysis of financial statements - Balance Sheet and Income Statement, Basic guidelines for preparation of project reports- Bank norms - SWOT analysis,

Agricultural Cooperation - Meaning, brief history of cooperative development in India, objectives, principles of cooperation, significance of cooperatives in Indian agriculture, Agricultural Cooperation in India- credit, marketing, consumer and multi-purpose cooperatives, farmers' service cooperative societies, processing cooperatives, farming cooperatives, cooperative warehousing; role of ICA, NCUI, NCDC, NAFED.

Practical

Determination of most profitable level of capital use, Optimum allocation of limited amount of capital among different enterprise, Analysis of progress and performance of cooperatives using published data, Analysis of progress and performance of commercial banks and RRBs using published data, Visit to a commercial bank, cooperative bank and cooperative society to acquire firsthand knowledge of their management, schemes and procedures, Estimation of credit requirement of farm business - A case study, Preparation and analysis of balance sheet - A case study, Preparation and analysis of income statement - A case study, Appraisal of a loan proposal - A case study, Techno-economic parameters for preparation of projects, Preparation of Bankable projects for various agricultural products and its value-added products, Seminar on selected topics.

3. Agricultural Marketing, Trade and Prices

3(2+1) AG-504

Theory

Agricultural Marketing: concepts and definitions of market, marketing, agricultural marketing, market structure, marketing mix and market segmentation. classification and characteristics of agricultural markets; Nature and determinants of demand and supply of farm products; Producer's surplus - meaning and its types, marketable and marketed surplus, factors affecting marketable surplus of agri-commodities; Marketing process: concentration, dispersion and equalization; Marketing functions: exchange functions - buying and selling; physical functions - storage, transportation and processing; facilitating functions - packaging, branding, grading, quality control and labeling (AGMARK); Types and importance of agencies/ functionaries involved in agricultural marketing; Meaning and definition of marketing channel; number of channel levels; marketing channels for different farm products; Meaning, definition and types of market integration; marketing efficiency; marketing costs, margins and price spread, factors affecting costs of marketing, reasons for higher marketing costs of farm commodities; ways of reducing marketing costs; Role of Government in agricultural marketing: Public Sector Institutions- CWC, SWC, FCI, CACP & DMI - their objectives and functions; Farmer Producer Organization (FPO); cooperative marketing in India; Meaning and functions

of price, administered prices, need for agricultural price policy; Concept of International Trade and its need, present status and prospects of international trade in agri-commodities; GATT and WTO; Agreement on Agriculture (AoA).

Practical

Plotting and study of demand and supply curves and calculation of elasticities; Study of relationship between market arrivals and prices of some selected commodities; Computation of marketable and marketed surplus of important commodities; Study of price behaviour over time for some selected commodities; Visit to a local market to study various marketing functions performed by different agencies, identification of marketing channels for selected commodity. collection of data regarding marketing costs, margins and price spread and presentation of report in the class; Visit to market institutions - NAFED, SYNC, - CWC, cooperative marketing society, etc. to study their organization and functioning.

4. Farm Management, Production and Resource Economics

2(1+1) AG-604

Theory

Meaning and concept of farm management, objectives and relationship with other sciences, Meaning and definition of farms, its types and characteristics, Type and systems of farming, factors affecting types of farming, Principles of farm management: concept of production function and its type, law of diminishing marginal returns, returns to scale, factor-product, factor-factor and product-product relationship, law of equi-marginal/or principles of opportunity cost and law of comparative advantage. Meaning and concept of cost, types of costs and their interrelationship, importance of cost in managing farm business and estimation of gross farm income, net farm income, family labor income and farm business income. Farm business analysis: meaning and concept of farm income and profitability, technical and economic efficiency measures in crop and livestock enterprises. Importance of farm records and accounts in managing a farm, farm inventory, balance sheet, profit and loss accounts. Meaning, need and importance of farm planning and budgeting, partial and complete budgeting, steps in farm planning. linear programming: meaning, assumptions, pre-requisites, advantages. Concept of risk and uncertainty occurs in agriculture production, nature and sources of risks, Concepts of resource economics, unique properties of natural resources, Positive and negative externalities in agriculture.

Practical

Preparation of farm layout, Determination of cost of fencing of a farm, Computation of depreciation cost of farm assets, Application of equi-marginal returns/opportunity cost principle in allocation of farm resources, Determination of most profitable level of inputs use in a farm production process, Determination of least cost combination of inputs, Selection of most profitable enterprise combination, Application of cost principles including CACP concepts in the estimation of cost of crop and livestock enterprises, Preparation of farm plan and budget, farm records and accounts and profit & loss accounts, Collection and analysis of data on various resources in India.

ELECTIVE COURSE**1. Agri-business Management****3(2+1) AGE-51****Theory**

Transformation of agriculture into agribusiness, various stakeholders and components of agribusiness systems, Importance of agribusiness in the Indian economy and New Agricultural Policy, Distinctive features of Agribusiness Management: Importance and needs of agro-based industries, Classification of industries and types of agro-based industries, Institutional arrangement: procedures to set up agro-based industries, Constraints in establishing agro-based industries. Agri-value chain: Understanding primary and support activities and their linkages, Business environment: PEST & SWOT analysis. Management functions: Roles & activities, Organization culture, Planning: meaning, definition, types of plans. Purpose or mission, goals or objectives, Strategies, policies, procedures, rules, programs and budget. Components of a business plan, Steps in planning and implementation, Organization staffing, directing and motivation, Ordering, leading, supervision, communications, Control, Capital Management and Financial management of Agribusiness, Financial statements and their importance, Marketing Management: Segmentation, targeting & positioning, Marketing mix and marketing strategies, Product Life Cycle (PLC), Sales & Distribution Management, Pricing policy, various pricing methods, Project Management definition, project cycle, identification, formulation, appraisal, implementation, monitoring and evaluation, Project Appraisal and evaluation techniques.

Practical

Study of agri-input markets: Seed, fertilizers, pesticides. Study of output markets: grains, fruits, vegetables, flowers, Study of product markets, retail trade commodity trading,

and value-added products, Study of financing institutions- Cooperative, Commercial banks, RRBs, Agribusiness Finance Limited, NABARD, Preparations of projects and Feasibility reports for agribusiness entrepreneur, Case study of agro-based industries, Trend and growth rate of prices of agricultural commodities, Appraisal/evaluation techniques of identifying viable project- Non-discounting techniques, Net present worth technique for selection of viable project