

# AECO141 PRINCIPLES OF AGRICULTURAL ECONOMICS 2+0

01. Economics – Definition and Nature & Scope of Economics – Divisions of Economics
02. Economic systems – Definitions and characteristics - capital economy – socialist economy – Mixed economy
03. Theory of Consumer behavior - Utility- definition and measurement – cardinal and ordinal approaches – Law of diminishing marginal utility – Graphical derivation of demand curve
04. Ordinal approach - Indifference curve – characteristics – budget line – equilibrium of consumer.
05. Demand – individual demand – market demand – demand schedule – demand curve – Law of demand and factors affecting it.
06. Elasticity of demand – price, income and cross elasticities – estimation – point and arc elasticity - Giffen Good – normal and inferior goods – substitutes and complementary goods
07. Engel's Law of family expenditure and significance. -Consumer's surplus– estimation and applications.
08. Production – factors of production – land & characteristics; Labour – quantity and quality of labour- - division of labour – efficiency of labour - Malthusian
09. Capital - characteristics - capital formation; Organization of business firms – types and characteristics - Concept of shares & debenture.
10. Supply-Law of diminishing marginal return – its application to agriculture - Cost concepts – short run & long run cost curves - optimum level of production.
11. Graphical derivation of supply from cost curve - - supply schedule – supply curve – Law of supply – elasticity of supply.
12. Market and its structure - perfectly competitive market and derivation of equilibrium price – Definition and characteristics of Imperfectly competitive markets.
13. Factor pricing ; rent - Ricardian rent-economic rent – Quasi – rent; Wage– marginal productivity theory of wage; Interest - Liquidity preference theory; Profit –Risk-bearing theory of profit.
14. Macro economics – Concepts of - Gross National Product (GNP) - Gross Domestic Product (GDP) - Net National Product (NNP) - Per capita income.
15. Money – Definition & functions of money; inflation –consequences & control.
16. Public finance - public revenue - public expenditure; taxation - principles of taxation.

