# UNIVERSITY OF RUHUNA

## BACHELOR OF SCIENCE IN FISHERIES AND MARINE SCIENCES DEGREE

### Level II Semester I Examination
### July/August 2016
### FAQ 3113 – Basic Economics for Aquaculture and Fisheries

Time: 02 hours

Answer **any four (04)** questions

---

1. (a) What is meant by 'supply shifters' of a commodity? Briefly explain the determinants of shifting supply of a commodity in the market. (10 Marks)

   (b) Explain why the price in the monopolistic market is higher compared to the perfect competitive market and why the monopoly market is better for resource conservation.

   (15 Marks)

2. (i) Develop an appropriate model to explain the demand for durables in the market.

   (15 Marks)

   (ii) Discuss the implication of the 'Nerlovian coefficient of stock adjustment' (b) for extraction of natural resources and in the demand for food in an economy.

   (10 Marks)

3. (a) Briefly explain the conditions to be satisfied for a 'perfect competitive market' of a commodity. (10 Marks)

   (b) Using appropriate diagrams explain the nature of price instability (price fluctuation) of a commodity in a perfectly competitive market. (15 Marks)

4. (a) Prove that the Marginal Revenue (MR) is equal to Marginal Cost (MC) at the level of profit maximizing of a product. (10 Marks)

   (b) Discuss the reasons for 'market failure' of deciding an efficient price for commodities in the market with special reference to agricultural and fishery products.

   (15 Marks)

5. (a) Discuss the importance of fisheries sector in economic development with special reference to Sri Lanka. (10 Marks)

   (b) Briefly explain concepts of 'Natural Equilibrium', 'Maximum Sustainable Yield', 'Maximum Economic Yield' and the 'Resource Rent' using appropriate diagrams.

   (15 Marks)

6. (a) What is meant by the 'MAXMINCON Principle' in social science research process.

(10 Marks)

(b) Discuss the merits and demerits of using the following sampling methods for selecting representative samples for social science research studies of fishing communities.
    i. Simple Reandom Sampling
    ii. PPS Sampling
    iii. Cluster Sampling.

(15 Marks)

7. (a) Briefly explain the process of social science research. (10 Marks)

(b) Discuss the criteria to be considered when selecting a research problem related to the socio-economic aspects of fishing communities. (08 Marks)

(c) Briefly discuss the criteria of developing a questionnaire for collecting information in social science research on fishing communities. (07 Marks)

@@@@@@@