

University of Ruhuna
Faculty of Agriculture
First Examination in B Sc in Green Technology (Part I)
Economics Principles (EC 1103)

Answer **ONE** question from each sections

Duration: 1 Hours

PART I – (Answer one question only)

- 01) a. Explain Total production (TP), Average production (AP), Marginal production and depict these on a graph. (8 marks)
b. Graphically illustrate the three stages of production function. (12 marks)
- 02) Write short notes on any **FOUR** of following (5 marks each)
- a. Cob web model
 - b. Law of equi-marginal utility
 - c. Marginal rate of substitution
 - d. Complementary good vs. substitute good
 - e. Positive economic vs. Normative economic

PART II - (Answer one question only)

- 03) a. Illustrate and describe the demand-pull inflation. (5 marks)
b. What are the main causes of demand-pull inflation? (5 marks)
c. Explain the cost and consequences of inflation? (7 marks)
d. Describe possible strategies to control an inflationary situation? (8 marks)
- 04) a. Briefly explain the functions of money? (5 marks)
b. Explain the motives of demand for money? (6 marks)
c. How does the interest rate (saving) affect on these motives? (6 marks)
d. Explain the role of Central Bank in regulating money circulation in the country. (8 marks)