



FACULTY OF FISHERIES AND MARINE SCIENCES & TECHNOLOGY

Academic Year 2023/2024

Bachelor of Science Honors in Fisheries and Marine Sciences Degree

Level III Semester I Examination - October/ November 2024

FAQ 3112: Basic – Economics for Aquaculture and Fisheries

Time: 01 hour 30 minutes

Answer any three (03) questions

1. (a) Define the following terms.

(i) Fixed Cost

(ii) Variable Cost

(iii) Marginal Cost

(07 Marks)

(b) Prove that the Marginal Cost (MC) is equal to Marginal Revenue (MR) at the level of profit maximizing of a production unit.

(08 Marks)

(c) Prove that the Marginal Cost (MC) curve cuts the Average Cost (AC) curve at the lowest point of the AC curve.

(10 Marks)

2. (a) Briefly explain the factors affecting supply of a commodity in the market.

(07 Marks)

(b) Briefly explain the process of determination of equilibrium price for a commodity in the market.

(08 Marks)

(c) Using appropriate diagrams explain the possible impacts of imposing a maximum price for a commodity by the government.

(10 Marks)



3. (a) Briefly discuss the conditions to be satisfied for a perfectly competitive market for a commodity. (08 marks)

(b) Explain the price determination process of a commodity in perfect competition. (07 Marks)

(c) Explain the equilibrium level of production of a production unit in perfect competition. (10 Marks)

4. (a) Briefly explain the assumptions of linear programming in allocation of resources in different enterprises. (10 Marks)

(b) Using the Nerlovian model, explain the impact of demand for durables on demand for foods in the community. (15 Marks)

5. (a) Briefly discuss the importance of fisheries sector in economic development of Sri Lanka. (10 Marks)

(b)-Using appropriate diagrams explain the concepts of

(i) Natural Equilibrium of the fish stock in a given reservoir

(ii) maximum Sustainable Yield

(iii) Maximum Economic Yield and

(iv) Economic Rent

(15 marks)

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01. a)

b)

c)

02. a)

b)

c)

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