UNIVERSITY OF RUHUNA
FACULTY OF AGRICULTURE
Examinations

Second Examination (Part II) in
BSc Hons in Agricultural Resource Management and Technology
BSc Hons in Green Technology
BSc Hons in Agribusiness Management

EC22201 Farm Business Management ARMT/AB Comp		
Paper info.	**Theory (Part I)** **Total number of Questions: 6** **Number of Pages: ②**	**INSTRUCTIONS** Answer only 4 questions. Only non-programmable calculators are permitted. Mobile phones are NOT permitted.
Duration	**2 (two) Hours**	
Index No.		**Date:** June 19, 2026

1. a. Briefly explain the importance of studying farm business management, in particular in the Sri Lankan context, with relevant examples. **(10 marks)**

   b. "Key principles of farm business management ensure that agribusinesses operate efficiently, profitably, and sustainably while meeting the demands of a dynamic world." Critically discuss this statement with relevant examples in the Sri Lankan context, while explaining any five (05) principles of farm business management. **(15 marks)**

2. a. Explain the farm business management process graphically, using relevant examples. **(05 marks)**

   b. List the types of skills, knowledge, and competencies required for managing a farm business successfully. **(05 marks)**

   c. Suppose you are going to start a business on our faculty farm. Explain your innovative plan with an example, while focusing on the four main functions of management. **(15 marks)**

3. a. Explain briefly any two (02) Economic Principles involved in farm business management. **(10 marks)**

   b. Discuss critically the producer decision-making process during the three main stages/phases of the production function in a particular farm business. **(15 marks)**

4. a. Prepare a table to explain briefly, any five (05) main types of risks associated with farm business management, with your innovative strategies of managing each risk. **(10 marks)**

   b. Explain critically the uncertainty avoidance strategies that can be used in farm business management. **(15 marks)**

5. a. List out the main cost components associated with farm business management. **(05 marks)**

   b. Explain briefly the two (02) main ways of calculating profit in farm business management with suitable examples. **(10 marks)**

   c. Explain critically the concept of economies of scale in farm business management with relevant examples and illustrations. **(10 marks)**

6. Write explanatory notes on **ANY FIVE (05)** of the following. **(25 marks)**

a. BEP in farm machinery management.
b. Brainstorming in the business decision-making process.
c. SWOT analysis in farm business management process in developing countries.
d. Gross margin analysis in farm business management.
e. Farm business financial management model.
f. Five (05) main positive practices of farm labor management.
g. Five (05) main characteristics of a successful farm business manager.