## EXTENDED LECTURE OUTLINE

**AEC6 221 Principles of Agricultural Economics and Farm Management (2+0)**

| SN | Topic |
|---|---|
| 1 | **Economics:** Meaning, scope and subject matter, definitions (Wealth, Welfare, Scarcity, Growth definitions), activities (Production – what to, how to, for whom, exchange, distribution and consumption). |
| 2 | Importance of study of economics. **Approaches to economic analysis: Micro economics** and **Macro-economics.** Nature of economics - Positive and normative analysis (meaning). |
| 3 | **Nature of economic theory**: rationality assumption (greatest satisfaction, maximum profit), concept of equilibrium (meaning, types – stable, unstable, neutral), economic laws as generalization of human behavior (hypothetical, lack definiteness and exactitude, statements of statistical probabilities). |
| 4 | **Economic systems*:*** Concepts of economy and its functions, important features of capitalistic, socialistic and mixed economies. |
| 5 | **Basic concepts: Goods and services**, Meaning and kinds of Goods: 1) Free goods and Economic goods, 2) Consumer goods and capital goods, 3) Material and non-material goods, 4) Personal and Impersonal goods, 5) Transferable and non-transferable goods, 6) Private and Public goods, 7) Necessities, comforts and luxuries). |
| 6 | **Desire** (meaning). **Wants** (Meaning, characteristics, importance in economic theory and classification: Necessaries of existence, Necessaries of efficiency, Conventional necessaries, Comforts, Luxuries). |
| 7 | **Cost** (meaning)- Seven cost concepts, short run and long run cost curves, price (meaning), Value (meaning and attributes), wealth (meaning, attributes and classification), capital (meaning), income (meaning) and welfare (meaning, Pareto optimality). |
| 8 | **Utility** (Meaning, Utility and usefulness, Utility and pleasure, Utility and satisfaction, Utility is subjective, Utility varies with situations. Measurement of utility: Cardinal and ordinal utilities. Meaning of initial utility, total utility, marginal utility, zero utility, negative utility. Relationship between total utility and marginal utility). |
| 9 | **Utility theory:** Law of diminishing marginal utility (statement, assumptions, exceptions, practical application), equi-marginal utility principle. Consumer's equilibrium and derivation of demand curve from LDMU. Consumer's surplus. |
| 10 | **Demand*:*** Meaning, demand schedule and demand curve, law of demand, determinants of demand, |
| 11 | **Elasticity of demand:** concept and kinds - price elasticity (definition, degrees, determinants, measurement, practical application), income elasticity (definition, measurement, types of goods based on coefficient of elasticity, practical application), and cross elasticity (definition, measurement, types of goods based on coefficient of elasticity, practical application). Determinants and usefulness of concept of elasticity of demand |
| 12 | **Supply:** Meaning, stock v/s supply, supply schedule, supply curve, law of supply, determinants of supply, producer's surplus. **Elasticity of supply:** concept and measurement. |
| 13 | **Production:** Process / meaning, creation of utility (Place, time, form, possession), factors of production (Land – meaning and characteristics, Labour – meaning, characteristics, types, factors affecting efficiency of labour, Capital – meaning, characteristics, types, steps in capital formation, Organization – meaning, functions), Forms of business organization |
| 14 | **Laws of returns** (diminishing marginal returns) and returns to scale (increasing, decreasing, constant). |
| 15 | **Distribution theory:** Meaning (factor incomes, personal incomes, national dividend, transfer payments), factor market (land, labour, capital, entrepreneurship) and pricing of |

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| | factors of production (by marginal productivity, by demand and supply). Concepts of rent, wage, interest and profit. |
| 16 | **National income:** Meaning and importance, circular flow, concepts of national income accounting (GNP, NNP, GDP, NDP, NI, PI, DI, PCI) |
| 17 | Approaches to measurement (output, income, expenditure methods), difficulties in measurement of national income. |
| 18 | **Population:** Importance, Malthusian population theory (geometric progression, arithmetic progression, over population, positive checks, preventive checks) and Optimum population theory (over population, under population), natural and socio-economic determinants, current policies (National population policy 2000 – female literacy, IMR, MMR, minimum age of marriage, integrating Indian systems of medicine) and programmes on population control (NRHM, IUCD, miniap Tubectomy, NSV, NFPIS, PPFP, Prerna strategy, Santushti strategy, National Helpline). |
| 19 | **Money:** Barter system of exchange and its problems, evolution (barter, commodity money, standardized coinage, trade bills of exchange, tallies, bank notes, cryptocurrencies), meaning and functions of money (primary – medium of exchange, measure of value, secondary – standard of deferred payment, store of value, transfer of value). |
| 20 | **Classification of money** (actual money and money of account, commodity money and representative money, legal tender money and optional money, money and near money, metallic money and paper money, credit money), money supply (legal tender, demand deposits, time deposits, financial assets with non-banking with non-financial intermediaries, treasury bills, exchange bills, bonds, equities), general price index (meaning, consumer price index, wholesale price index - meaning). |
| 20 | **Public finance: Public revenue** (Tax and Non-tax). *Tax:* meaning, direct (meaning of income, wealth, gift, expenditure taxes) and indirect taxes (meaning of custom duties, excise duties, sales tax, VAT, GST), agricultural taxation (in which cases it is applicable). **Public expenditure** (meaning of revenue and capital expenditures, developmental and non-developmental expenditures). GST and its implications on Indian economy |
| 21 | **Inflation:** Meaning, causes, types – demand-pull, cost-push, open, suppressed, creeping, chronic, walking, moderate, running, galloping, hyper-inflation, control of inflation – monetary measures (credit control, reserve ratios), Fiscal measures (taxes and government expenditure, physical measures (production, exports-imports, wages, price control, rationing) and deflation (meaning). |
| 23 | **Agricultural economics:** meaning, definition, characteristics of agriculture (land requirement, scattered production, dependency on nature, season bound, price taker, LDMR, yield and price risks, production lag, division of labour, bulkiness and perishability of produce, low volume, joint production, grading and standardization), |
| 24 | **Importance of agriculture** and its role in economic development (national income, employment, raw materials, consumption requirements, international trade, investment). |
| 25 | **Agricultural planning and development in the country:** Strategies adopted in agriculture / rural sector to 1) Increase agricultural production, 2) Increase employment opportunities, 3) Reduce population pressure on land, 4) Reduce income inequality in rural sector – mention a list of important agriculture and rural development programs implemented during the five year plans |
| 26 | **Land reform measures** including green revolution. Meaning of land tenure, land tenancy, land reform measures – abolition of intermediaries, tenancy reforms, fixation of ceiling on land holdings, consolidation of holdings, development of cooperative farming. |
| 27 | **Elements of economic planning**, *NITI Ayoga (main features).* |
| 28 | International trade and Balance of payments - Meaning and definition |