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AECON- 121 Fundamentals of Agricultural Economics

2 (2+0)

Theory:

Economics: Meaning, scope and subject matter, definitions, activities, approaches to economic analysis; micro and macro economics, positive and normative analysis. Nature of economic theory; rationality assumption, concept of equilibrium, economic laws as generalization of human behavior. Basic concepts: Goods and services, desire, want, demand, utility, cost and price, wealth, capital, income and welfare.

Agricultural economics: meaning, definition, characteristics of agriculture, importance and its role in economic development. Agricultural planning and development in the country. **Demand:** meaning, law of demand, demand schedule and demand curve, determinants, utility theory; law of diminishing marginal utility, equi-marginal utility principle. Consumer's equilibrium and derivation of demand curve, concept of consumer surplus. Elasticity of demand: concept and measurement of price elasticity, income elasticity and cross elasticity.

Production: process, creation of utility, factors of production, input output relationship. Laws of returns: Law of variable proportions and law of returns to scale. *Cost:* Cost concepts, short run and long run cost curves. *Supply:* Stock v/s supply, law of supply, supply schedule, supply curve, determinants of supply, elasticity of supply.

Market structure: meaning and types of market, basic features of perfectly competitive and imperfect markets. Price determination under perfect competition; short run and long run equilibrium of firm and industry, shut down and break even points.

Distribution theory: meaning, factor market and pricing of factors of production. Concepts of rent, wage, interest and profit.

National income: Meaning and importance, circular flow, concepts of national income accounting and approaches to measurement, difficulties in measurement. Good and services tax (GST) - meaning, definition, advantage and disadvantages and its implication on Indian economy.

Tax: meaning, direct and indirect taxes, agricultural taxation.

Lecture Schedule: Theory

| S.N. | Topic | No. of lectures |
|------|--|-----------------|
| | Economics: | |
| 1. | Meaning, scope and subject matter | 1 |
| 2. | Definitions, activities, Approaches to economic analysis | 1 |
| 3. | Micro and macro economics, positive and normative analysis | 1 |

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| 4. | Nature of economic theory; rationality assumption | 1 |
| 5. | Concept of equilibrium | 1 |
| 6. | Economic laws as generalization of human behavior | 1 |
| 7. | Basic concepts: Goods and services, desire, want, demand, utility, cost and price, wealth, capital, income and welfare | 1 |
| | Agricultural economics: | |
| 8. | Meaning, definition, characteristics of agriculture | 1 |
| 9. | Importance and its role in economic development | 1 |
| 10. | Agricultural planning and development in the country | 1 |
| | Demand: | 1 |
| 11. | Law of demand, demand schedule and demand curve | 1 |
| 12. | Determinants | 1 |
| 13. | Utility theory; law of diminishing marginal utility | 1 |
| 14. | Equi-marginal utility principle | 1 |
| 15. | Consumer's equilibrium and derivation of demand curve, concept of consumer surplus | 1 |
| 16. | Elasticity of demand: concept and measurement of price elasticity | 1 |
| 17. | Income elasticity and cross elasticity | 1 |
| | Production: | |
| 18. | Process, creation of utility | 1 |
| 19. | Factors of production, input output relationship | 1 |
| 20. | Laws of returns | 1 |
| 21. | Law of variable proportions and law of returns to scale | 1 |
| 22. | Cost: Cost concepts, short run and long run cost curves | 1 |
| 23. | Supply: Stock v/s supply, law of supply, supply schedule, supply curve | 1 |
| 24. | Determinants of supply, elasticity of supply | 1 |
| | Market structure | |
| 25. | Meaning and types of market | 1 |
| 26. | Basic features of perfectly competitive and imperfect markets | 1 |
| 27. | Price determination under perfect competition | 1 |
| 28. | Short run and long run equilibrium of firm and industry | 1 |
| 29. | Shut down and break even points | 1 |
| | Distribution theory | |
| 30. | Meaning, factor market and pricing of factors of production | 1 |
| 31. | Concepts of rent, wage, interest and profit | 1 |
| | National income: | 1 |
| 32. | Meaning and importance, circular flow | 1 |
| 33. | Concepts of national income accounting and approaches to measurement, difficulties in measurement | 1 |
| 34. | Good and services tax (GST) - meaning, definition, advantage and disadvantages and its implication on Indian economy. | 1 |

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| | Tax: | |
| 35. | Meaning, direct and indirect taxes, agricultural taxation | 1 |

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