

MODEL ANSWER
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SEMESTER END THEORY EXAMINATION
B.Sc. (Hons.) Agriculture

Semester : V (NEW)	Term : I	Academic Year : 2020-2021
Course No. : ECON-353	Course Title : Agricultural Marketing, Trade & Prices	
Credits : 3 (2+1)		
Day & Date : Friday & 15/01/2021	Time : 2.00 Hr	Total Marks : 80

Note:

1. Solve ANY EIGHT questions from SECTION - A
2. Solve ANY TWELVE questions from SECTION - B
3. All questions from SECTION - C are compulsory
4. Send the PDF file of answer sheet to the email id of respective course teacher

SECTION - A

(Write the answers in 4-5 sentences only. Each question carries 4 marks)

Q. 1 State the importance of Agricultural Marketing in economy.

Ans:-

- a) Optimization of Resource use and output management
- b) Widening of markets
- c) Growth of agro based industries
- d) Price signals
- e) Adoption and spread on new technology
- f) Employment generation
- g) National income
- h) Better living
- i) Creation of utility

Q. 2 What is market structure? Write down the components of market structure.

Ans:- Market structure refers to those characteristics of the market which affects the traders behaviour and their performances

Components of Market Structure

- 1) Concentration of market power
- 2) Degree of product differentiation
- 3) Conditions for entry of firms in the market
- 4) Flow of market information
- 5) Degree of integration

Q.3 State the factors affecting demand for farm products.

Ans:- **Factors affecting demand for farm products are as**

- 1) Size of population
- 2) Per capita income
- 3) Changes in taste, preference and habits
- 4) Income distribution
- 5) Level of technology available
- 6) Available substitutes
- 7) National income

Q. 4 Enlist the factors affecting marketable surplus.

Ans:- **Marketable surplus depends on the following factors**

- 1) Size of holding
- 2) Production
- 3) Price of the commodity
- 4) Size of family
- 5) Requirement of seed and feed
- 6) Nature of commodity
- 7) Consumption habits

Q. 5 State the classification of market on the basis of Location.

Ans:- **On the basis of Location**

On the basis of place or operation, markets are of the following types

- a) Village markets
- b) Primary wholesale markets
- c) Secondary wholesale markets
- d) Terminal markets
- e) Seaboard markets

Q. 6 State the Kolhs and Uhl classification of marketing functions.

Ans:- Kolhs and Uhl classified marketing functions as following:

- 1) **Physical Functions:** Storage and Warehousing, Grading, Processing, Transportation.
- 2) **Exchange Functions:** Buying and Selling.
- 3) **Facilitative Functions:** Standardization of grades, Financing, Risk Taking, and Dissemination of market information.

Q.7 Define market integration. State the different types of market integration.

Ans:- Market integration as process which refers to the expansion of firms by Consolidating additional marketing functions and activities under a single management.

Types of market integration:

- 1) Horizontal integration:
- 2) Vertical integration:

There are of two types of vertical integration:

- a) Forward integration
- b) Backward integration
- 3) Conglomeration:

Q. 8 Define marketing channel. Enlist factors affecting length of marketing channel.

Ans:- Marketing channels are routes through which agricultural products move from producers to consumers.

Factors affecting length of marketing channel are

- 1) Nature of product
- 2) Economic Development of country
- 3) Stage of marketing of product
- 4) Time of marketing

Q. 9 Write the objectives of NAFED.

Ans:- **Objectives of NAFED**

- 1) To organize, promote and develop marketing, processing and storage of agricultural, horticultural and forest produce
- 2) To distribute agricultural machinery, implements and other inputs.
- 3) To undertake inter-state, import and export trade, wholesale or retail as the case may be
- 4) To act and assist for technical advice in agricultural production for the working of its members and co-operative marketing, processing and supply societies in India.

Q. 10 Write the different stages of product life cycle.

Ans:- **Stages of product life cycle are as follow**

- 1) Introduction
- 2) Growth
- 3) Maturity
- 4) Decline
- 5) Obsolete

SECTION – B

(Write the answers in one sentence only. Each question carries 2 marks)

Q. 11 Answer in one sentence/Do as directed/Define etc.

- a) Study the activities related to supply of farm inputs to the farmers is a part of subject matter of agricultural marketing. **True**
- b) The supply curve of agricultural commodities is positively sloped. **True**
- c) Marketable surplus may be more, equal or less to the marketed surplus. **True**
- d) DMI (Give the full form) : Directorate of Marketing and Inspection
- e) CWC (Give the full form) : Central Warehousing Corporation
- f) AOA (Give the full form) : Agreement on Agriculture
- g) GATT (Give the full form) : General Agreement on Trade and Tariff
- h) CACP (Give the full form) : Commission for Agricultural Costs and Prices
- i) Define short-period market : The market which are held for a few hours are called as short-period market.
- j) Define spot or cash market : A market in which goods are exchanged for money immediately after the sale is called the spot or cash market.
- k) Define monopoly market : Monopoly market is a market situation in which there is only one seller of a commodity.
- l) Define marketing cost : The movement of products from the producers to the ultimate consumers involves cost, taxes and cess which are called marketing cost
- m) Define market margin : Margin refers to the difference between the price paid and received by a specific marketing agency, such as a single retailer, or by any type of marketing agency such as retailers or assemblers or by any combination of marketing agencies.

- n) Define marketing efficiency : It is the ratio of output (satisfaction) to the Marketing input (cost of resources). An increase in ratio represents improved efficiency and vice versa.

SECTION - C

(Choose the correct option. Each question carry 1 mark)

Q.12 Choose the correct answers from the following multiple choice questions.

1. Food corporation of India was established on _____
a) **1 January 1965** b) 1 January 1956
c) 1 January 1966 d) 1 January 1975
2. _____ are those markets in which shares, securities, bonds, etc., are being Purchased and sold.
a) Commodity markets **b) Capital markets**
c) Cash markets d) Consumption markets
3. A trader who sells goods directly to the consumer is known as _____
a) Wholesaler **b) Retailer**
c) Processor d) Farmer
4. Wholesalers and retailers fall under the category of _____
a) Merchant middlemen b) Agent middlemen
c) Speculative middlemen d) Facilitative middlemen
5. The minimum support prices for farm commodities are recommended by _____
a) FCI **b) CACP**
c) STC d) NAFED
6. Vegetable markets falls under _____
a) General markets b) Terminal markets
c) Specialized markets d) Mixed markets
7. _____ have been established by state Governments and rules and regulations have been framed for the conduct of their business.
a) Unregulated market **b) Regulated market**
c) Regional market d) National market
8. The market which deals with durable goods is _____
a) Wholesale market b) Regulated market
c) Seaboard market **d) Secular market**
9. _____ is a market situation in which there only one seller of commodity.
a) Duopoly market **b) Monopoly market**
c) Oligopoly market d) Monopsony market
10. The quantity of produce, which the farmers desires to sell in the market after meeting his requirements is known as _____
a) Marketable surplus b) Marketed surplus
c) Marketed and marketable surplus d) Producer's surplus
11. _____ refers to the schedule or quantities of products that will be affected for sale at different prices at the given time and in a given market.
a) Demand **b) Supply**
c) Law of demand d) Law of Supply

12. Markets are classified into wholesale and retail markets based on _____
 a) Nature of transaction b) Time
 c) Competitive **d) Volume of business**
13. The net price received by the farmer at the time of first sale is _____
a) Producer's price b) Procurement price
 c) Minimum Support Price d) Shadow price
14. If marketed surplus is greater than marketable surplus, then the situation is known as _____
 a) Market efficiency b) Market integration
c) Distress sale d) Duopoly market
15. Market prices are settled by pressing the fingers under cover of piece of cloth in _____ method of sale
 a) Sale by sample **b) Hatha system**
 c) Closed tender system d) Mogham sale
16. Sorting out of goods based on fixed standardization is called as _____
 a) Variable grading b) Permissive grading
 c) Fixed grading **d) Mandatory grading**
17. A market having a few buyers is known as the _____ market
 a) Oligopoly market **b) Oligopsony market**
 c) Duopsony market d) Monopoly market
18. Packaging is part of _____
a) Packing b) Storing
 c) Transporting d) Sorting
19. Open market is also called as _____
 a) Visible and invisible market **b) Visible market**
 c) Invisible market d) None of the above
20. Conversion of sugarcane into sugar is an example of _____
a) Possession utility b) Form utility
 c) Place utility d) Time utility
21. Agriculture sector is main source of supply of _____
 a) Wheat and rice **b) Food and fodder**
 c) Oilseed and sugercane d) Rice and poultry
22. Procurement price is greater than _____
 a) Market price **b) Floor price**
 c) Fair price d) Administered price
23. Current information about market arrivals, prices, demand and change in market condition etc, refers to _____
 a) Market information b) Orders
 c) Acts **d) Market news**
24. _____ is the purchase or sale of a commodity at the present price with the object of sale or purchase at some future date at a favourable price.
 a) Future trading b) Hedging
c) Speculation d) All the above
