

**WARNING**

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You must return this paper with your answerbook, otherwise marks will be lost.

M.41

Write your Examination Number here 

AN ROINN OIDEACHAIS  
LEAVING CERTIFICATE EXAMINATION, 1996

**AGRICULTURAL ECONOMICS - ORDINARY LEVEL**  
(320 marks)

THURSDAY, 20 JUNE - MORNING, 9.30 - 12.00

Answer fifteen questions from Part I and four questions from Part II. You should not spend more than one hour on Part I.

**Part I (120 marks)**

Answer fifteen questions.

Write the answers in the spaces provided.

1. Name one price determined in product markets \_\_\_\_\_ and one determined in factor markets \_\_\_\_\_.
  
2. The most significant change over time in the resource mix in farming is the substitution of \_\_\_\_\_ for \_\_\_\_\_.
  
3. Gross Agricultural Product less \_\_\_\_\_ equals Net Agricultural Product.
  
4. Which country provides the main export market for Irish lamb \_\_\_\_\_.
  
5. Give one example of technological progress in
  - (i) Animal Production \_\_\_\_\_.
  - (ii) Crop Production \_\_\_\_\_.

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6. The marginal revenue product is got by multiplying the \_\_\_\_\_ by the \_\_\_\_\_.
7. Farmers' terms of trade are got by dividing the \_\_\_\_\_ price index by the \_\_\_\_\_ price index.
8. Household consumption in farm accounts refers to \_\_\_\_\_.
9. Gross margin minus fixed costs equals \_\_\_\_\_.
10. Capital budgets are of two types. Name any one of the two \_\_\_\_\_.
11. Who is the "third party" covered by third party insurance? \_\_\_\_\_
12. The two main factors which cause demand for food to increase over time are:  
(i) \_\_\_\_\_  
(ii) \_\_\_\_\_
13. Give an example of transfer payments in household accounts:  
\_\_\_\_\_
14. Name Ireland's two main farming organisations:  
1. \_\_\_\_\_ 2. \_\_\_\_\_

15. Deficiency payments amount to the difference between the \_\_\_\_\_ price and the \_\_\_\_\_ price.

16. What benefits do farmers receive under the Disadvantaged Areas Scheme?

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17. Usually quotas on production at farm level are initially allocated to each farm on the basis of \_\_\_\_\_.

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18. Give one example of input control used by Governments to restrict production:

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19. Ireland's bilateral aid programme consists of

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20. What was the Green Revolution? \_\_\_\_\_

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**AGRICULTURAL ECONOMICS - ORDINARY LEVEL**

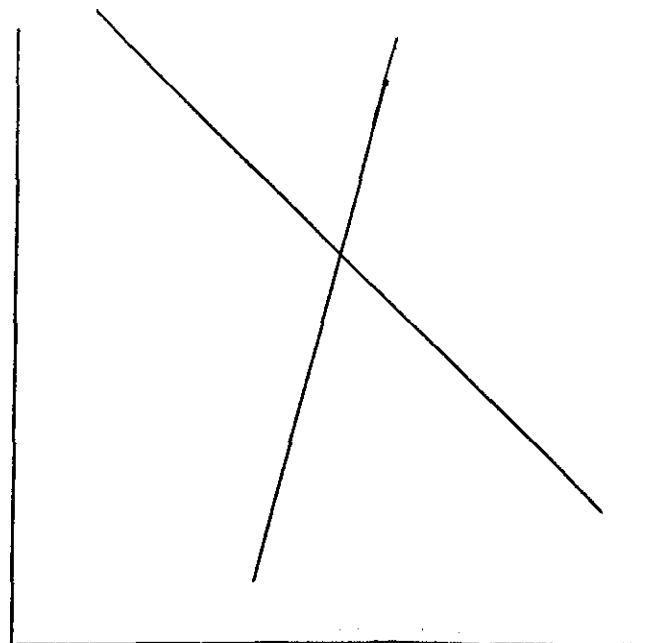
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Part 1 is on a separate sheet which provides spaces for your answers. The completed sheet should be enclosed in your answer-book.

**PART II (200 marks)**

Answer four questions.  
Write your answers to this part in the answer book provided.  
All questions carry equal marks.

1. Describe the food chain which ends with beef as purchased by the consumer.
  
2. In relation to the workforce in farming:
  - (a) What is the basic source of statistics on the Irish workforce?
  - (b) Name two of the three main categories of farm worker derived from this source?
  - (c) Which of the three categories has declined most rapidly?
  - (d) What do you understand by the quality of the workforce?
  
3. Given the demand and supply diagram below, to represent, say, the market for cheese in the EU.
  - (a) Label the axes and the supply/demand curves.
  - (b) Draw in the equilibrium price for cheese and the quantity that would be demanded at that price.
  - (c) The EU now produces a large surplus of cheese which has to be exported to Third Countries. Show on your diagram why this has come about.



4. What is a Balance Sheet?

Given the following information on a balance sheet for a dairy farmer on 31/12/94:

Assets, £		Liabilities, £	
Fixed	300,000	Long-term	40,000
Current	50,000	Current	10,000
		Net worth	?
Total	350,000		?

- (a) Calculate total liabilities and net worth.
- (b) Give one example of
- (i) fixed assets
  - (ii) current assets
  - (iii) long-term liabilities
  - (iv) current liabilities.

5. The formation of agricultural policy at EU level involves a number of different EU institutions. Name any two of those institutions and describe the role of one of them.

6. How is the EU budget funded?  
Why does Ireland receive relatively large transfers from the EU budget?