

**WARNING**

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

**M. 41**

Write your Examination Number here 

**AN ROINN OIDEACHAIS AGUS EOLAÍOCHTA  
LEAVING CERTIFICATE EXAMINATION, 2001**

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

**WEDNESDAY 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.**

**OVER→**

**Part I (120 marks)**

**Answer fifteen questions.**

**Write the answers in the spaces provided.**

**All questions carry equal marks.**

1. The Sectors of the National Economy are:

(i) Agriculture (ii) \_\_\_\_\_ (iii) \_\_\_\_\_

2. Rank the **TWO** most important cereal growing provinces in Ireland as measured by their percentage of cereal crops.

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

3. Explain the factor of production '**management**'.

\_\_\_\_\_  
\_\_\_\_\_

4. State **ONE** characteristic of farming in Ireland which makes the marketing of agricultural products difficult.

\_\_\_\_\_

5. Why is it profitable to export dairy products to non-EU countries where dairy product prices in those countries are much lower than prices in Ireland?

\_\_\_\_\_  
\_\_\_\_\_

6. State **ONE** precaution a farmer may take to reduce uncertainty regarding future prices.

\_\_\_\_\_

7. The supply of a commodity is influenced by many variables.  
State **TWO** influences, other than the price of the commodity itself.

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

8. Why is the demand for Irish butter more price elastic in the German market than it is in the Irish market?

\_\_\_\_\_  
\_\_\_\_\_

9. State **ONE** example of a short-term downward shift in demand.

\_\_\_\_\_

10. "Most of the factors of production in Irish farming are owned by farmers themselves".  
Explain this statement.
- 
- 
11. If the average price of cattle in a base period was £300 per head and now the price is £500,  
construct a price index to represent this.
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- 
12. Family farm income is the return to \_\_\_\_\_ resources.
13. When is a Complete Budget used in farm planning?
- 
14. Farmers can secure new capital from sources other than borrowing.  
Name **TWO** sources.
- (i) \_\_\_\_\_ (ii) \_\_\_\_\_
15. State **ONE** Scheme or Subsidy which encourages extensive use of land.
- 
16. State **ONE** example of **each** of the two input categories:
- (i) Inputs supplied within farming and used mainly within farming
- 
- (ii) Inputs supplied from outside of farming and used mainly within farming.
- 
17. State **TWO** disadvantages for agriculture of Free Trade.
- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
18. Deficiency payments are the difference between \_\_\_\_\_ prices and \_\_\_\_\_ prices.
19. Name **TWO** commodities, of interest to Irish Farmers, that are not covered by the CAP:
- (i) \_\_\_\_\_ (ii) \_\_\_\_\_
20. State **ONE** advantage and **ONE** disadvantage of the 'CELTIC TIGER' economy for Irish farming.
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**M.41(A)**

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**AGRICULTURAL ECONOMICS - ORDINARY LEVEL**

**WEDNESDAY 20 JUNE - MORNING 9.30 - 12.00**

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

**OVER→**

**PART II (200 marks)**

**Answer four questions.**

**Write your answers to this part in the answer book provided.**

**All questions carry equal marks.**

1. (i) Describe the food chain which ends with beef as purchased by the Irish consumer.  
(ii) Why is the contribution of the farmer in the food chain diminishing over time?
  
2. Write an account of the Irish dairy industry under any **three** of the four headings:
  - (a) Main market outlets;
  - (b) Seasonality of production;
  - (c) Diversification;
  - (d) Milk price gaps between the price received by Irish dairy farmers on the export market compared with dairy farmers in other EU member states.
  
3. Demand schedule for butter in Ireland.

<b>Price of Butter Per kg (£)</b>	<b>Quantity Purchased tonnes/annum, '000</b>
4.00	25.0
3.50	30.0
3.00	35.0
2.50	40.0
2.00	45.0
1.50	50.0

- (i) Using the data in the above table construct a demand curve for butter.
- (ii) Explain why the demand curve has a negative slope.
- (iii) State **TWO** factors which could cause a shift in the demand curve.
- (iv) Calculate the revenue that would be earned at 25,000 tonnes.

4. Given the following data for a family farm employing one person:-

	£
Sales less purchases	100,000
Increase in Inventories	5,000
Household consumption	1,000
Variable costs	30,000
Fixed costs	35,000
Imputed wages	15,000
Total investment	500,000
Imputed return on investment	5%

Calculate:

- (i) Family farm income
  - (ii) Management and investment income
  - (iii) Profit
5. Explain the role of the following in the formulation of agricultural policy in the EU.
- (i) The Council of Ministers
  - (ii) The European Parliament
  - (iii) The European Commission.
6. "Irish farmers are owner-occupiers".  
Explain this statement and outline the advantages and disadvantages of this form of tenure.