

BSc in Tea Technology and Value Addition
Third Year Second Semester Examination –December /January 2017/2018

Tea Resource Economics (TEA 334 – 2)
Section II – Essay Questions

Instructions:

Answer **all** questions in the given booklet.

No. of questions : Three (03)

No. of pages : Two (02)

Time : One (01) hour

Total marks allocated : 60%

1.

- (I) Define the “Production Function” (10 marks)
- (II) Briefly explain the stages of production by taking the labor as the variable input.
Use graphical illustrations where necessary. (40 marks)
- (III) For the production function $Q = 6L^2 - L^3$, fill in the given table (20 marks)
and state how much the firm should produce so that:
- a) average product is maximized (7.5 marks)
 - b) marginal product is maximized (7.5 marks)
 - c) total product is maximized (7.5 marks)
 - d) average product is zero (7.5 marks)

L	Q	APP	MPP
0			
1			
2			
3			
4			
5			
6			

(L-Labour, Q – Output, APP- Average Physical Product, MPP – Marginal Physical Product)

2. Write short on the followings ; (25 marks x 4 = 100)
- (I) Difference of Demand and Supply Among Labor Markets
 - (II) Determinants of Elasticity of Demand for Labor
 - (III) Shifts in Labor Supply Curve
 - (IV) Marginal Productivity Theory
3. Briefly explain the followings; (50 marks x 2 = 100 Marks)
- (I) Factors that affect the labour supply in a tea estate
 - (II) Strategies to face the labour imbalance in a tea plantation

[End of the Section II]