

Uva Wellassa University
Faculty of Animal Science and Export Agriculture
BSc in Tea Technology and Value Addition



End Semester Examination February/March 2012
Year III Semester I

Tea Resource Economics (TEA 341-2)

Instructions

Answer all questions

No. of questions : Five (05)

No. of pages : Two (02)

Total marks allocated : 60%

Time : One Hour & Fifteen Minutes (1 hr & 15mins)

PART II

1. Explain the factors that affect cost of tea harvesting, fertilizer application, weeding & pruning. (12 marks)
2. Explain the physical & financial efficiency measures of firm/industry. (12 marks)
3. Explain the importance of Capital Investment Appraisal Process & critically analyze the feasibility of tea replanting in up country using following details. (12 marks)

Cost of replanting & maintenance (per ha)

Years	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th -20 th
Costs (Rs'000)	662	80	1021	323	234	612	699	499	571	677	873
Tea productivity (kg/ha/year)	1250	2000	2500	1300	1700	2300	3500	3000	2200	3000	3200

Discount rate -10% per year

Tea prices -Rs. 400 per kg

4. How the firm can achieve internal economies of scale? Explain giving examples. (12 marks)

5. Explain the methods of valuation. How you can select appropriate methods for valuation.

(12 marks)