



UNIVERSITI TEKNOLOGI MARA

AGR403: BASIC AGRICULTURAL ECONOMICS

Course Name (English)	BASIC AGRICULTURAL ECONOMICS APPROVED
Course Code	AGR403
MQF Credit	3
Course Description	This subject exposes student to the principle of agricultural economics including production principles; production cost, supply and revenue; profit maximization; consumption and demand; price elasticity; market price determination and international trade. These principles are applied to Malaysian agriculture as well as world economies.
Transferable Skills	At the end of the course students will be able to: 1. Define the basic knowledge of the economics and their application to agricultural problems. 2. Relate and discuss the economics theory verbally and its practical application pertaining to supply and demand, production principle; production costs, supply and revenue; profit maximization; consumption and demand; price elasticity; market determination and international trade.
Teaching Methodologies	Lectures, Blended Learning, Tutorial, Discussion
CLO	CLO1 1. Define the basic knowledge of the economics and their application to agricultural problems. CLO2 2. Relate and discuss the economics theory verbally and its practical application pertaining to supply and demand, production principle; production costs, supply and revenue; profit maximization; consumption and demand; price elasticity; market price determination and international trade. CLO3 Relate and discuss the economics theory and its practical application pertaining to supply and demand, production principle; production costs, supply and revenue; profit maximization; consumption and demand; price elasticity; market price determination and international trade.
Pre-Requisite Courses	No course recommendations
Topics	
1. Characteristics of Agriculture 1.1) 1.1 Definition of Agriculture 1.2) 1.2 Agricultural Economies as a Social Science 1.3) 1.3 Structure of Agricultural Sectors 1.4) 1.4 Inputs Used and Products of Agriculture	
2. Introduction to Economics 2.1) 2.1 Characteristics and scope of economy 2.2) 2.2 Concepts of scarcity, choice and opportunity cost 2.3) 2.3 Basic economic problems: what and how much, how and to whom. 2.4) 2.4 Economic systems: (Traditional economy, central planning socialist) Economy: comparison to Malaysia economy	
3. Supply and Demand in Agriculture 3.1) 3.1 Definition of Supply and Demand in Agricultural 3.2) 3.2 Law of Demand and Supply in Agriculture 3.3) 3.2.1 Demand and Supply Schedule 3.4) 3.2.2 Demand and Supply Curves 3.5) 3.3 Factors influencing demand and supply in Agriculture 3.6) 3.4 Change in demand and supply and change in quantity of demand and supply in agriculture 3.7) 3.5 Equilibrium Price 3.8) 3.6 Elasticity of demand and supply	

4. Agricultural Production and Cost of Production 4.1) 4.1 Types of factors of agricultural production 4.2) 4.2 Laws of Production in Agriculture 4.3) 4.2.1 Law of diminishing returns 4.4) 4.2.2 Law of return according to scale 4.5) 4.3 Types of production cost 4.6) 4.3.1 Fixed cost, variable cost, marginal cost 4.7) 4.3.2 Average fixed cost and Average variable cost 4.8) 4.3.3 Short run curve and long term curve 4.9) 4.3.4 Economies of scale
5. Market and Firm Equilibrium 5.1) 5.1 Condition Firm Equilibrium 5.2) 5.2 Types and Characteristics of Market 5.3) 5.3 Pure competition, Monopoly, Monopolistic Competition and Oligopoly 5.4) 5.4 Firm equilibrium and pure competition market and monopoly
6. Measuring the National Economy 6.1) 6.1 The Circular Flow of Income 6.2) 6.2 Measuring Inflation 6.3) 6.3 Unemployment 6.4) 6.4 Nominal vs Real Income
7. Macroeconomic Policies 7.1) 7.1 Fiscal Policies 7.2) 7.2 Monetary Policies
8. International Trade 8.1) 8.1 Absolute vs Comparative Advantage 8.2) 8.2 Exchange Rates 8.3) 8.3 Balance of Trade 8.4) 8.4 Balance of Payments 8.5) 8.5 Trade Policies
9. Global Issues 9.1) 9.1 Population Growth 9.2) 9.2 World Food Production Trends 9.3) 9.3 Trade in Agricultural Products 9.4) 9.4 The Role of Agriculture in Economic Growth
10. Agricultural Problems and Policy Analysis 10.1) 10.1 Goals and Policies and Programs 10.2) 10.2 Price and Income 10.3) 10.3 Resource Use

Assessment Breakdown	%
Continuous Assessment	60.00%
Final Assessment	40.00%

Details of Continuous Assessment	Assessment Type	Assessment Description	% of Total Mark	CLO
	Assignment	Assignment 1	20%	CLO1
	Case Study	Online case study	20%	CLO2
	Presentation	individual presentation	20%	CLO3

Reading List	Recommended Text	<ul style="list-style-type: none"> • Penson, J.B. 2006, <i>Introduction to Agricultural Economics</i>, 4th Ed., Penson Education, Inc, Upper Saddle Rivers, New Jersey • Kay R.D 2006, <i>Farm Management: Planning, Control and Impleme</i>, Ed., , McGraw Hill New York [ISBN:]
	Reference Book Resources	<ul style="list-style-type: none"> • McCononell and Campbell R 2007, <i>Essentail of Economics</i> , Ed., , McGraw hill
Article/Paper List	This Course does not have any article/paper resources	
Other References	This Course does not have any other resources	