



UNIVERSITI TEKNOLOGI MARA

AGR113: INTRODUCTION TO ECONOMICS OF AGRICULTURAL PRODUCTION

<b>Course Name (English)</b>	INTRODUCTION TO ECONOMICS OF AGRICULTURAL PRODUCTION <b>APPROVED</b>
<b>Course Code</b>	AGR113
<b>MQF Credit</b>	3
<b>Course Description</b>	This course will introduce the students to the basic concepts of economics of agricultural production. It consists of theories and concepts of production and cost of production; market, demand, supply of agricultural product and its equilibrium, profit maximization in agricultural production, market structures, and international trade. It also will provide the students with examples that are related to plantation activities.
<b>Transferable Skills</b>	Communication Skills Thinking and Scientific Skills
<b>Teaching Methodologies</b>	Lectures, Case Study, Discussion
<b>CLO</b>	CLO1 State, write and describe the basic economics theories and concepts using specific economics models. CLO2 State and explain the theories of market structures, and international trade in written form. CLO3 Describe the theories and concepts of production and its costs; market, demand, supply of agricultural product and its equilibrium; and profit maximization in agricultural production mathematically and graphically.
<b>Pre-Requisite Courses</b>	No course recommendations
<b>Topics</b>	
<b>1. INTRODUCTION TO ECONOMICS</b> 1.1) 1.1 Definition of economics. 1.2) 1.2 Concepts of Scarcity, Choice and Opportunity Cost. 1.3) 1.3 Production Possibility Curve. 1.4) 1.4 Basic Economics Problems – what, how much, how 1.5) and for whom to produce. 1.6) 1.5 Types of Economics Systems – Capitalism, 1.7) Socialism, Mixed Economy and Islamic Economics 1.8) System.	
<b>2. DEMAND</b> 2.1) 2.1 Definition of Demand. 2.2) 2.2 Laws, Schedules and Curves of Demand. 2.3) 2.3 Determinants of Demand. 2.4) 2.4 Changes in Demand, and changes in the 2.5) quantity of Demand. 2.6) 2.5 Elasticity of Demand. 2.7) 2.5.1 Types of elasticity of demand. 2.8) 2.5.2 Elasticity of demand of agricultural product 2.9) versus elasticity of demand of industrial 2.10) product.	
<b>3. SUPPLY</b> 3.1) 3.1 Definition of Supply. 3.2) 3.2 Laws, Schedules and Curves of Supply. 3.3) 3.3 Determinants of Supply. 3.4) 3.4 Changes in Supply, and changes in the quantity of 3.5) Supply. 3.6) 3.5 Elasticity of Supply. 3.7) 3.5.1 Elasticity of supply of agricultural product 3.8) versus elasticity of supply of industrial product.	

**4. EQUILIBRIUM**

- 4.1) 4.1 Market Equilibrium
- 4.2) 4.2 Maximum Price and Minimum Price
- 4.3) 4.3 Effects of changes in demand and supply on equilibrium price.
- 4.4) 4.4 Effects of indirect tax and subsidy.

**5. PRODUCTION AND COST OF PRODUCTION**

- 5.1) 5.1 Production and Factors of Production.
- 5.2) 5.2 Production Function.
- 5.3) 5.3 Production in Short-run (Total, Average, and Marginal Physical Product).
- 5.4) 5.4 Law of Diminishing (marginal) Return, and Stages of Production.
- 5.5) 5.5 Types of costs of production; fixed cost, variable cost, total cost, average fixed cost, average variable cost, average cost, and marginal cost.
- 5.6) 5.6 Short-Run and Long-Run cost curves.
- 5.7) 5.7 Economics of Scale.

**6. PROFIT-MAXIMIZING IN AGRICULTURAL PRODUCTION**

- 6.1) 6.1 Revenue concept; Total Revenue, Average Revenue and Marginal Revenue.
- 6.2) 6.2 Profit-Maximization Decision (Equilibrium of Firm)
- 6.3) 6.2.1 Aggregate Approach (Total Revenue vs. Total Cost)
- 6.4) 6.2.2 Marginal Approach (Marginal Revenue vs. Marginal Cost)
- 6.5) 6.3 Types of Profit; Normal Profit, Supernormal Profit and Subnormal Profit

**7. MARKET STRUCTURES**

- 7.1) 7.1 Types of markets and its characteristics
- 7.2) 7.1.1 Perfect Competition
- 7.3) 7.1.2 Monopoly
- 7.4) 7.1.3 Monopolistic
- 7.5) 7.1.4 Oligopoly.

**8. INTERNATIONAL TRADE**

- 8.1) 8.1 Reasons and gains from international trade.
- 8.2) 8.2 Absolute Advantage and Comparative Advantage.
- 8.3) 8.3 Protectionism; policy, reasons and types of protection.

Assessment Breakdown	%
Continuous Assessment	60.00%
Final Assessment	40.00%

Details of Continuous Assessment	Assessment Type	Assessment Description	% of Total Mark	CLO
	Assignment	Past Semester Final Examination Questions	20%	CLO3
	Presentation	Video Presentation	20%	CLO2
	Test	Online Test	20%	CLO1

Reading List	Recommended Text	<ul style="list-style-type: none"> <li>Stanley L Brue and Campbell R. McConnell 2007, <i>Essential of Economics</i>, Pacific Lutheran University</li> </ul>
	Reference Book Resources	<ul style="list-style-type: none"> <li>Edward Witkowski and Arnold Wells, <i>The Economics of Agricultural Production</i>, Alfred Publishing</li> <li>Penson JB 2006, <i>Introduction to Agricultural Economics</i>, 4 Ed., Peason Education Inc., New Jersey</li> <li>Kay R.D. 2008, <i>Farm Management: Planning, Control and Implem</i>, 6 Ed., McGraw-Hill, New York.</li> </ul>
Article/Paper List	This Course does not have any article/paper resources	
Other References	This Course does not have any other resources	