**The University of Jordan Agricultural Production Economics (605350)**

**Faculty of Agriculture Prerequisite Agricultural Economics (605101)**

**Department of Agr.Econ.&Agribusiness Mgt Fall Semester 2012/2013**

**Course Lecturer: Dr. Tala Qtaishat**

**Lectures: Monday and Wednesday (12.30 p.m.-2.00 p.m.), Room:132**

**Consultation: Sunday, Tuesday and Thursday (11a.m.-12 noon) or by appointment**

**Course Description:**

Studies the theory of production economics with emphasis on applications to agriculture and natural resources. Topics include the derivation, estimation and use of production, cost, profit, revenue, demand and supply functions. Discusses the concepts of efficiency and productivity. Production response over time and under risk. Agricultural production economic theory under static and dynamic situations. Analysis of allocation of factors of production, production efficiency, demand for factors of production and supply of agricultural products, costs of products and farm growth.

**Course Topics:**

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| Week | Topic |
| 1 | **Introduction:**  Economic concepts ,types of economics ,agricultural economics and  Agricultural production economics. |
| 2-3 | **Production Function and Cost Function**:   * Classical production function ,stages of production function ,law of   Diminishing returns, elasticity of production.   * Cost of production ,fixed cost and variable cost ,cost function ,   deriving cost function from production function |
| 4-6 | **Allocation of One Variable Input**:   * Economic efficiency ,profit maximization ,the optimum amount of input   to use ,the optimum amount of output to produce .   * Short-run equilibrium ,long-run equilibrium ,maximum profit versus   Maximum yield, derive demand for input , opportunity cost and profit . |
| 7-10 | **Production with Two or More Variable Inputs:**   * Production function for two variable inputs , marginal rate of input   substitution.   * Relation between inputs ,elasticity of factor substitution ,iso-cost line   ,least cost criterion ,iso-cline ,expansion path ,profit maximization .   * Alternative production functions * Substitution and expansion effect. * Derived demand for inputs. * Minimizing cost and profit maximization. * General criteria for two or more inputs. |
| 11-13 | **Production of Two or More Products:**   * Production possibility curve , relation among products ,maximum   Revenue combination of outputs.   * Marginal criterion for resource allocation ,derivation of production   possibility curve ,intermediate and final products , one input-several  Products, two inputs-two outputs.   * Constrained optimization |
| 14 | **Economics of Size:**   * Production in the long-run * Homogeneity in production economics. * Return to scale. * Equilibrium in the long-run * External economics in agriculture |
| 15 | **Production Process through Time:**   * Time within the year. * Time over a period of years. * Valuing of agricultural land |
| 16-17 | **Decision Theory:**   * Analyzing risky production process. * Utility of risk. |

**Text Books:**

1. Doll P. John and Orazem Frank , Production Economics , John Wiley

&Sons, Inc , USA .

1. Sankhayan P.L. , Introduction to the Economics of Agricultura

production , Prentice-Hall of India , New Delhi .

**Course grading:**

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| **Activity** | **Value in Final Grade** |
| Participation | 5% |
| 1st Midterm Exam | 20% |
| 2nd Midterm Exam | 25% |
| Final Exam (Accumulative) | 50% |

**Academic Integrity:**

University policy on academic misconduct is clear - academic dishonesty in any form is strictly prohibited. Instances of academic dishonesty (ex. Cheating) will be referred to the Dean of Students for disciplinary action. Penalties are severe and may include failure on the exam, failure in the course, and/or expulsion from the University. The risks associated with academic dishonesty far outweigh the perceived benefits. If you are unsure whether an action you are considering constitutes academic dishonesty, seek clarification from your instructor.

**Class Attendance & Behavior:**

Class attendance is mandatory. Attendance will be taken. Each student will be allowed 4 unexcused absences over the course of the semester. Attendance will be taken at the beginning of class and may be taken at the end of class. Attendance on timeand participation in class are crucial. Excuses for absences should be provided in advance if possible or at the next opportunity, if not. Each unexcused absence in excess of those allowable will result in a loss from attendance points.

Another course requirement is that everyone treats each other with respect. No Food, drinks, phones, smoking, texting and laptops are allowed in the class room. Violation of this requirement will be dealt with severely.