

**AGRICULTURAL ECONOMICS 450**  
**MID-TERM EXAM**  
**Tuesday, October 7, 2003**

*100 points total*

**Answer each question. Your answers should be short (one to three paragraphs) and to the point. Points will be deducted for incorrect answers and for answers with excessive amounts of irrelevant material.**

**Put your name on each of your answer sheets and number your answer sheets.**

1. (10 points) Describe two of the main socioeconomic similarities among developing countries.
2. (10 points) Why are high crop and livestock yields not necessarily synonymous with high incomes for farmers?
3. (10 points) Explain why you agree or disagree with the following statement: “Almost all of the increase in world food demand during the next 20 years will take place in developing countries.”
4. (10 points) Describe three of the major economic differences between human capital and physical capital.
5. (10 points) In *The Long-run Economic Costs of AIDS*, Clive Bell, Shantayanan Devarajan and Hans Gersbach argue that, “the long-run economic costs of AIDS are almost certain to be much higher [than most studies indicate] – and possibly devastating.” Explain their reasoning behind this statement.
6. (10 points) Based on the video *Voices of the Poor*, what are two commonalities in the way that poor people in different countries describe their lives?
7. (10 points) In *Valuing the Health Effects of Air Pollution*, Maureen Cropper and Nathalie Simon discuss two methods for placing a value on a reduction in risk of death. Define and briefly describe these two methods.
8. (10 points) Describe one type of non-use value associated with the environment and natural resources.
9. (10 points) Describe and diagrammatically illustrate how a Gini coefficient is calculated.
10. (10 points) Why is corruption often believed to be an impediment to long-term foreign and domestic investment?