

AGRICULTURAL ECONOMICS 450
MIDTERM EXAM
Thursday, October 2, 2008
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. Use diagrams as appropriate. Put your name on each of your answer sheets and number your answer sheets.

1. (10 points) Critically evaluate the following statement: "Corruption is a necessary evil in developing countries, required in order to grease the wheels of slow and cumbersome government bureaucracies." Do you agree or disagree with this statement, and why?
2. (10 points) Describe the main points of the film *Doing the Right Thing*.
3. (10 points) Explain and diagrammatically illustrate how a Gini coefficient is calculated.
4. (10 points) Describe three of the main economic differences between human capital and physical capital.
5. (10 points) Describe one type of nonuse value associated with the environment and natural resources.
6. (10 points) The *Economist* article, "On the Poverty Line: Has 'A Dollar a Day' Had Its Day?," is critical of the \$1 per day international poverty line. Summarize the arguments in this article. Do you agree or disagree with these arguments, and why?
7. (10 points) Describe the main points of the film *A-OK*.
8. (10 points) The *Economist* article, "Welcome to Our Shrinking Jungle," argues that there is a relationship between high commodity prices and deforestation in Brazil. Summarize the main arguments of the article in this regard.
9. (10 points) Choose one of the additional assigned readings and describe the main points of that reading. Also explain whether you agree or disagree with those points, and why. Do not choose the *Economist* articles in question #6 or #8.
10. (10 points) What typically happens to agriculture's percentage of the labor force and agriculture's percentage of GDP as a country's per capita income increases, and why?