

(2 pts each)

Fill in the blank:

1. Charge for borrowed money _____

2. Allocation of limited resources _____

3. Allocation of cost over time _____

4. Technical relationship between inputs and outputs _____

5. Amount payable at regular intervals _____

6. Cost for one additional unit of output _____

7. A company's limiting resource _____

8. Chesapeake Bay area of poultry production _____

9. Pioneer of the Georgia poultry industry _____

10. Disease problem in hatcheries _____

11. Company quoting egg prices _____

12. System of financing colleges of agriculture _____

13. Ownership of two or more aspects of production _____

14. Examples: fuel, litter, feed

15. Examples: depreciation, family labor

16. Examples: purchased chicks and brooder fuel

17. Costs associated with a flock of birds

18. Costs directly related to level of output

19. Ownership cost of risk of loss

20. Enterprise or firm costs depend on 3 sets of data _____

Under typical contract broiler production agreements, who provides and owns? (Check)

<u>(1 ea)</u>	<u>Company</u>	<u>Grower</u>
21. Feed	_____	_____
22. Chicks	_____	_____
23. House	_____	_____
24. Equipment	_____	_____
25. Caretaker labor	_____	_____
26. Catching labor	_____	_____
27. Vaccines	_____	_____

(5 pts)

28. Draw production functions for male and female broiler chickens. Label the axes.

Outputs *
*
*
*
*
*
*
*
* _____ Inputs

(5 pts)

29. For the birds in question 28, draw total variable cost curves (label the axes):



(5 pts)

30. For the birds in question 28, draw average total cost curves (label the axes):



31. For the birds in question 28, draw marginal cost curves (label the axes):



(7 pts)

32. How are marginal cost curves used to determine the most profitable level of output? (And what else must you know?)

(6 pts)

33. If you are starting a company and do not expect to make large profits the first few years, what depreciation method are you likely to choose, and why?

(10 pts)

34. What is the net present value of a lighting system that costs \$4,000 to purchase and install, saves \$1,000 per year and will last for 8 years, if interest rates are 7%? Show your work.

Is this a good investment?

(5 pts)

35. What are the main advantages of contract broiler growing to the company?

(5 pts)

36. What are the main advantages of contract broiler growing to the grower?

$$PV = A((1 - (1/(1+i)^t))/i)$$

$$FV = PV(1+i)^t$$

$$FV = A(((1+i)^t - 1)/i)$$

$$PV = R/i$$

PV = Present Value

A = Annuity

FV = Future Value

i = Interest Rate

R = Rent

t = Time