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PS 371 **3rd Hour Exam**

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Spring 1993

Points		Question
(16) (4 each)	1.	Describe the following seasonal trends (you may draw graphs).
		a. Feed prices
		b. Egg prices (contrast large and medium sizes)
		c. Egg production:
		i. numbers
		ii. sizes
(15)	2.	a. What are the major costs involved in molting hens?
		b. What are the major savings due to molting hens?
		c. What price situations favor molting hens?
(15) (5 each)	3.	a. Distinguish between:
		i. Dozens of eggs per hen
		ii. Salable commercial eggs per hen
		iii. Settable eggs per hen
		b. How can a company distinguish between a hatchery manager who has the lowest cost per chick and one that produces the best chicks?
		c. When is or is not a lower feed conversion good? (Be sure and define feed conversion).

(10) 4. a. Is it in the best interest of the integrator or(5 each)contract grower to install and maintain the insulation in a broiler house? Discuss the advantages and disadvantages of well-insulated broiler houses to each.

b. What are some possible ways to relieve the conflict over providing heat between integrators and growers?

(12) 5. For a hatchery, give examples of:
(3 each)

a. Variable operating costs

b. Constant unit operating costs

c. Fixed operating costs

d. Fixed overhead costs

(10) 6. The average chicken hatchery in the U.S.A. currently hatches approximately 12.5 chicks per unit of hatching capacity. What does this tell you about utilization? How can utilization be increased?

(12) 7. a. On the same axis, draw 1) a short run
(6 each) cost curve; and 2) an economy of size curve for typical feed mills.

b. Why did the ownership costs for feed mills decrease between 1976 and 1990?

(10) 8. Automation might be expected to lower the proportion of labor costs and increase the proportion of overhead costs in processing plants. However, in the plants studied, just the opposite was discovered between the 1950's and 1990's. What factors contributed to the rise in proportions of labor costs and decrease in proportions of ownership costs? [Be sure to consider how the functions of the plants changed].