Crop Protection Reviewer By Agriculture Review

1. Which institution in the Philippines is primarily mandated to provide long-term credit and development financing to the agriculture sector?

a) Development Bank of the Philippines (DBP)
b) Bangko Sentral ng Pilipinas (BSP)
c) Land Bank of the Philippines (LBP)
d) National Food Authority (NFA)

2. Under the WTO Agreement on Agriculture (AoA), which of the following categories allows a member to subsidize domestic producers with minimal limits because the subsidy is considered to cause no or minimal trade distortion?

a) Green box
b) Amber box
c) Blue box
d) Red box

3. In farm management, which concept best describes choosing the combination of enterprises that maximizes expected utility when output prices and yields are uncertain?

a) Profit maximization under certainty
b) Risk-return trade-off (mean-variance optimization)
c) Law of diminishing returns
d) Short-run marginal analysis

4. Which marketing function specifically addresses temporal mismatch between harvest supply and consumer demand by reducing spoilage and enabling delayed sale?

a) Assembly
b) Grading
c) Storage
d) Transportation

5. Which of the following best describes 'contract farming'?

a) Farmers form cooperatives to jointly market produce without any private buyer involvement

b) A central government buys all farm produce at fixed prices

c) Production and/or marketing arrangements between growers and buyers under forward agreements

d) Open auction system where farmers sell to highest bidder

6. Which policy instrument is primarily used by governments to manage domestic rice prices while complying with market-based rice tariffication policies?

a) Quantitative import restrictions (quotas)

b) Tariffs combined with targeted subsidy programs and buffer stock operations

c) Complete abolition of National Food Authority

d) Fixed exchange rate for agricultural exports

7. Which of these is considered a critical weakness of informal rural credit markets compared to formal agricultural finance?

a) Faster processing time for loan approval

b) High collateral requirements enforced by informal lenders

c) Lack of regulation and higher effective interest rates coupled with insecure tenure arrangements

d) Mandatory savings component

8. Which market information system (MIS) feature most directly reduces market failures caused by asymmetric information between producers and traders?

a) Provision of real-time price and quantity data to producers

b) Government subsidies for inputs

c) Import licensing

d) Cooperative membership registration

9. Which of the following measures is most consistent with improving a cooperative's ability to reduce marketing margins for its members?

a) Increasing number of middlemen used in the supply chain

b) Investing in collective storage and direct market access facilities

c) Diversifying into non-farm businesses only

d) Applying for more government permits

10. In an export-oriented agricultural product with strict SPS (Sanitary and Phytosanitary) requirements, which stakeholder action most directly reduces the risk of trade rejection by importing countries?

a) Relying solely on trader declarations at the port
b) Implementing farm-level Good Agricultural Practices (GAP) and traceability systems
c) Increasing domestic consumption
d) Reducing production standards to cut costs

11. In farm budgeting, which of the following represents an example of a partial budget analysis?

a) Evaluating changes in income and costs from shifting to organic fertilizer only
b) Preparing a whole-farm five-year investment plan
c) Constructing a linear programming model
d) Computing net present value of all farm activities

12. Which of the following is a major reason why the Philippine rural credit system often experiences high loan default rates?

a) Over-regulation of interest rates leading to credit rationing
b) Complete absence of informal lenders in rural areas
c) Excessive reliance on futures markets
d) High domestic savings rate among farmers

13. Which of the following best explains why monopsony conditions often prevail in smallholder agricultural markets?

a) Farmers having access to multiple competitive buyers
b) Existence of many buyers and sellers of uniform product
c) Presence of few dominant buyers facing many fragmented smallholder sellers
d) Strict government-imposed floor prices

14. A cooperative that pools produce from its members, grades them, and sells directly to supermarkets is performing which critical marketing function?

a) Facilitation
b) Exchange
c) Physical function
d) Policy regulation

15. In agricultural trade, 'tariff escalation' refers to which practice by importing countries?

a) Imposing higher tariffs on raw commodities than on processed products

b) Imposing higher tariffs on processed agricultural goods than on raw commodities

c) Gradual reduction of tariffs over time

d) Sudden increase in export subsidies

16. Which farm management tool is most appropriate for determining the most profitable crop mix given land, labor, and capital constraints?

a) Break-even analysis

b) Partial budget

c) Linear programming

d) Time series forecasting

17. Which of the following government policies directly contributed to the liberalization of rice imports in the Philippines?

a) Agricultural Tariffication Act (RA 8178 as amended by RA 11203)

b) Magna Carta for Small Farmers (RA 7607)

c) Comprehensive Agrarian Reform Law (RA 6657)

d) Cooperative Code of the Philippines (RA 9520)

18. Which element of rural sociology explains why trust and informal agreements play a dominant role in smallholder agricultural marketing systems?

a) Social capital

b) Structural inflation

c) Cultural divergence

d) Rational choice

19. Which of the following financial institutions pioneered microfinance lending to smallholder farmers in the Philippines?

a) CARD Bank

b) Development Bank of the Philippines

c) Philippine Veterans Bank

d) Philippine Amanah Bank

20. Which farm-level cost classification is illustrated when fertilizer expenses increase proportionally with higher cropped area?

a) Fixed cost
b) Variable cost
c) Implicit cost
d) Sunk cost

21. Which rural social institution in the Philippines traditionally facilitates collective farm labor exchange without monetary payment?

a) Bayanihan
b) Paluwagan
c) Barangay Justice System
d) Padrino system

22. In farm management, the concept of 'opportunity cost' is most relevant when:

a) A farmer calculates depreciation of machinery
b) A farmer forgoes planting corn to cultivate vegetables instead
c) A farmer repays a loan on time
d) A farmer adopts precision agriculture tools

23. Which of the following agricultural policies directly established the Agrarian Reform Fund to support land distribution and farmer assistance?

a) RA 6657 (Comprehensive Agrarian Reform Law)
b) RA 8178 (Agricultural Tariffication Act)
c) RA 11203 (Rice Tariffication Law)
d) RA 7607 (Magna Carta for Small Farmers)

24. Which characteristic of informal credit schemes like 'paluwagan' explains their popularity in Philippine rural communities?

a) Government subsidy component
b) Collective trust and social enforcement in repayment
c) Mandatory collateral requirements
d) Zero interest charged to all members

25. Which WTO principle requires member countries to treat imported agricultural goods no less favorably than domestically produced goods?

a) Most-Favored-Nation (MFN) principle
b) National Treatment principle
c) Safeguard principle
d) Special Differential Treatment principle

26. In enterprise combination, a farmer chooses to diversify crops instead of specializing in monocropping mainly to:

a) Maximize short-term profit only
b) Reduce production risk and stabilize income
c) Comply with international trade agreements
d) Avoid paying farm workers

27. Which of the following policies established the Rice Competitiveness Enhancement Fund (RCEF)?

a) RA 8178 (Agricultural Tariffication Act of 1996)
b) RA 11203 (Rice Tariffication Law of 2019)
c) RA 7607 (Magna Carta for Small Farmers)
d) RA 6657 (CARP)

28. In rural sociology, which of the following concepts explains the persistence of smallholder farmers' dependence on traders for credit and market access?

a) Market equilibrium
b) Patron-client relationship
c) Perfect competition
d) Rational expectations theory

29. Which farm management decision rule is applied when a farmer allocates resources to the point where Marginal Value Product (MVP) equals Marginal Factor Cost (MFC)?

a) Law of comparative advantage
b) Principle of equi-marginal allocation
c) Break-even analysis
d) Profit-maximizing condition under monopoly

30. Which financing program under the Philippine government aims to provide zero-interest, non-collateral loans to small farmers and fisherfolk?

a) Production Loan Easy Access (PLEA) program
b) Agricultural Guarantee Fund Pool
c) Agri-Agra Reform Credit Program
d) Universal Crop Insurance Program

31. In agricultural price analysis, the cobweb model assumes that farmers base their production decisions primarily on:

a) Current year's actual price
b) Last year's observed price
c) Government announced support price
d) Forecasted equilibrium price

32. Which type of agricultural market structure is most closely associated with monopsony power?

a) Few sellers, many buyers
b) Many sellers, one buyer
c) One seller, many buyers
d) Many sellers, many buyers

33. The main function of a marketing cooperative is to:

a) Provide production loans to members
b) Procure inputs at lower prices
c) Aggregate and sell farm produce on behalf of members
d) Offer crop insurance to members

34. Hedging in commodity futures markets is primarily aimed at:

a) Increasing speculative profits
b) Reducing price risk
c) Raising product quality
d) Controlling input costs

35. Which of the following is an example of a derived demand in agricultural economics?

a) Demand for wheat
b) Demand for irrigation pumps
c) Demand for rice
d) Demand for vegetables

36. In the context of international trade, the Law of Comparative Advantage explains that:

a) Countries export only those goods they can produce most cheaply in absolute terms
b) Countries benefit by specializing in goods with the lowest opportunity cost
c) Trade occurs only if one country has an absolute advantage
d) Imports should always be discouraged

37. In agricultural marketing channels, which middleman is primarily responsible for assuming risk and taking ownership of goods?

a) Commission agent
b) Merchant middleman
c) Broker
d) Facilitator

38. Which of the following best describes Engel's Law in relation to food consumption?

a) As income increases, the absolute expenditure on food declines
b) As income increases, the proportion of income spent on food decreases
c) As food prices increase, demand decreases proportionally
d) As income decreases, food demand remains constant

39. The primary purpose of grading and standardization in agricultural marketing is to:

a) Reduce marketing costs by eliminating storage
b) Facilitate fair pricing and promote buyer confidence
c) Increase production at farm level
d) Enhance soil fertility

40. Which of the following measures is MOST effective in reducing price fluctuations in agricultural commodities?

a) Price ceiling enforcement
b) Import restrictions
c) Buffer stock operations
d) Increased taxation

41. The supply curve of agricultural products in the short run is generally:

a) Perfectly elastic
b) Perfectly inelastic
c) Upward sloping but inelastic
d) Downward sloping

42. Which of the following marketing functions is classified under physical functions?

a) Financing
b) Storage
c) Risk bearing
d) Market intelligence

43. In welfare economics, the condition for Pareto Optimality in agricultural resource allocation requires:

a) Maximizing government revenue
b) No reallocation can make one better off without making another worse off
c) All farmers earning equal incomes
d) Perfect competition in all markets

44. Which of the following best explains 'marketing margin' in agricultural economics?

a) The difference between producer price and retail price
b) The cost of storage alone
c) The government's tax on agricultural trade
d) The commission charged by brokers only

45. Which measure of central tendency is MOST appropriate when analyzing skewed farm income distribution data?

a) Mean
b) Median
c) Mode
d) Range

46. A non-price determinant of demand for agricultural commodities is:

a) Cost of production
b) Consumer income
c) Technological change
d) Supply shocks

47. The main advantage of contract farming for smallholders is:

a) Guaranteed market and price
b) Elimination of production risks
c) No need for capital investment
d) Independence from buyers

48. In agricultural project appraisal, the Internal Rate of Return (IRR) is defined as the discount rate at which:

a) Net Present Value (NPV) = 0
b) Benefit-Cost Ratio = 0
c) Present benefits exceed future costs
d) Marginal Revenue = Marginal Cost

49. Which of the following is an example of an institutional source of agricultural credit in the Philippines?

a) Moneylenders
b) Traders
c) Land Bank of the Philippines
d) Relatives and friends

50. Which WTO Agreement primarily governs agricultural trade liberalization, including tariffs and subsidies?

a) Agreement on Sanitary and Phytosanitary Measures
b) Agreement on Agriculture (AoA)
c) Agreement on Trade-Related Aspects of Intellectual Property Rights
d) General Agreement on Trade in Services

Answer Key

1. C	**11.** A	**21.** A	**31.** B	**41.** C
2. A	**12.** A	**22.** B	**32.** B	**42.** B
3. B	**13.** C	**23.** A	**33.** C	**43.** B
4. C	**14.** C	**24.** B	**34.** B	**44.** A
5. C	**15.** B	**25.** B	**35.** B	**45.** B
6. B	**16.** C	**26.** B	**36.** B	**46.** B
7. C	**17.** A	**27.** B	**37.** B	**47.** A
8. A	**18.** A	**28.** B	**38.** B	**48.** A
9. B	**19.** A	**29.** B	**39.** B	**49.** C
10. B	**20.** B	**30.** A	**40.** C	**50.** B