



Subject Module
Department of Agribusiness
Faculty of Agriculture
University of Islam Malang

Module Handbook

Title Module	Production Economics
Module Level, if available	Undergraduate, Study Program of Agribusiness
CourseCode	MKP 60707
Title, if available	-
Course (MK)	Production Economics
Semester	5
Course Coordinator	Dr. Ir. Bambang Siswadi, MP.
Teaching Team	Lia Rohmatul Maula, S.P., M.P.
Instruction language	Indonesian Language/English
Linkage to Curriculum	Study Program: Agribusiness Specialization: Agribusiness Type: Compulsory /Elective
Method and Duration of Learning	1. Lecture: 100 minutes / meeting (14 meetings) 2. Practicum: 170 minutes / meeting (8 meetings) 3. Structured assignments / individual and group assignments
Study Load Student	1. Lecture: 100 minutes / meeting (14 meetings) 2. Practicum: 170 minutes / meeting (8 meetings) 3. Structured assignments / quizzes / group presentations 4. Attendance: 75% of total attendance
Weight Credit	3 Credits or 5.1 ECTS
Requirements to Pass the Course	<ul style="list-style-type: none"> Attendance $\geq 75\%$ Final score of all components of learning evaluation ≥ 50 Final Score Components: <ul style="list-style-type: none"> 20% Mid-Semester Exam 20% Final Examination 30% Prakticum 20% Structured Tasks (individual and group) 10% Attendance
Course Prerequisites	Microeconomics
Learning outcomes	The expected learning outcomes are: <ol style="list-style-type: none"> 1. Able to respond to problems regarding entrepreneurship, agribusiness, and green food (ILO 1) 2. Able to analyze the rules and principles of agribusiness sciences, social sciences, economics, and agricultural techniques as the basic for innovative agribusiness disciplines (ILO 2) 3. Able to evaluate projects in accordance with the techniques, methods, constraints, interpret data, and conclude it (ILO 6) 4. Able to work efficiently, independently and teams work using a variety of methods to communicate effectively with in the scientific community and society (ILO 9)

<p>Content Learning</p>	<p>After completing this course students can:</p> <ol style="list-style-type: none"> 1. Able to examine the concept and scope of the production economy 2. Able to analyze and describe the economic theory of production in optimizing production 3. Able to analyze single and multiple productions with the use of single and multiple inputs 4. Able to analyze and review single and multiple production/output optimization 5. Able to study the concepts and theories of production economics with time considerations <p>The topics include:</p> <ol style="list-style-type: none"> 1. Introduction <ul style="list-style-type: none"> • Definition and scope of agricultural productioneconomy • Competitive Market Assumptions as the Basis of Production Economic Theory 2. INPUT-OUTPUT RELATIONSHIP: Production with One Variable Input <ul style="list-style-type: none"> • Production function concept • Fixed inputs, variable inputs and production periodization • <i>The Law of Diminishing Return</i> • <i>Marginal Product and Average Product</i> • <i>MPP and marginal product function</i> • <i>Neoclassical production function</i> • <i>MPP and APP neoclassical production functions</i> • <i>Signs, slopes and curves of curves</i> • <i>Single input production elasticity</i> 3. INPUT-OUTPUT RELATIONSHIP: Maximizing Farming Profits with One Input and One Output <ul style="list-style-type: none"> • Total input costs and Maximizing acceptance and selection costs • Calculate the level of input use that maximizes output and profit • Production area concept application 4. COSTS, REVENUE AND PROFIT FROM THE OUTPUT SIDE <p>INPUT-INPUT RELATIONSHIP PATTERNS: Production with Two Inputs</p> <ul style="list-style-type: none"> • Isoquants and marginal substitutability • Isoquants and marginal substitutability 5. INPUT-INPUT RELATIONSHIP PATTERNS: Maximization in the case of two inputs <ul style="list-style-type: none"> • Maximization of profit function with two inputs • The concept of maximization with budget constraints 6. OUTPUT-OUTPUT RELATIONSHIP: Production and Maximization in the case of two Outputs <ul style="list-style-type: none"> • Product transformation from a single input production function • Product transformation and output substitution elasticity • Output maximization 7. The concept of double output substitution elasticity <ul style="list-style-type: none"> • Double output substitution elasticity • Improved technology and business scale

	8. Production process with time consideration <ul style="list-style-type: none"> • Production process with time considerations • <i>Discounting revenues and cost</i>
Test Terms and Forms	<p>Exam Requirements: Minimum 75% attendance to attend the final exam</p> <p>Test Form: Essay</p>
Learning Media	Projector and screen, Zoom application, Google Classroom, e-book, WA Group, Learning Management System (LMS UNISMA)
Reference	<p>Main Reference:</p> <ol style="list-style-type: none"> 1. Doll, J.P dan F. Orazem, 1978. Production Economics : Theory with Applications. Grid Inc., Columbus, Ohio, USA. 2. Debertin, D.L. 1986. Agricultural Production Economics. Macmillan Publishing Company, New York, USA. 3. Beattie, B. R., & Taylor, C. R. (1994). Production Economy. Gadjah Mada University Press. <p>Referensi Pendukung:</p> <ol style="list-style-type: none"> 1. Rasmussen, S. 2011. Production Economics: The Basic Theory of Production Optimisation. Springer, New York. 2. Soekartawi. 2003. Production Economic Theory. PT Raja Grafindo Persada, Jakarta. 3. Journals, Theses, and research results related to the economics of production