

GWANDA STATE UNIVERSITY



FACULTY OF LIFE SCIENCES

DEPARTMENT OF CROP SCIENCES

BACHELOR OF SCIENCE HONOURS DEGREE IN CROP SCIENCE

Introduction to Agricultural Economics

LCS 1204

First Semester Examination Paper

June 2020

This examination paper consists of 2 pages

Time Allowed: 3 hours
Total Marks: 100
Special Requirements: None
Examiner's Name: J.P. Musara

INSTRUCTIONS

1. Answer **all** questions in Section A
2. Answer **two** questions in Section B

MARK ALLOCATION

QUESTION	MARKS
SECTION A	60
SECTION B	40
TOTAL ATTAINABLE MARKS	100

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SECTION A: Answer ALL questions in Section A

1. Using examples, explain the following concepts:
 - a. Utility; [5]
 - b. Opportunity cost; [5]
 - c. Marginal analysis; and [5]
 - d. Price floor. [5]

2. 'The concept of unlimited wants versus limited means has inspired the evolution of agricultural economics as a stand-alone area of study'. Discuss. [20]

3. a. Distinguish between economics and agricultural economics. [5]
b. Explain the role of agricultural economics in understanding economic growth processes in an agro-based economy. [15]

SECTION B: Answer TWO questions in Section B

4. a. Draw a typical Production Possibility Curve and explain how it illustrates the following concepts in agricultural systems:
 - i. Efficiency; and [4]
 - ii. Choice. [4]
b. Discuss the importance of analyzing the elasticity of demand to an emerging yoghurt producing firm in a perfectly competitive market. [12]

5. Explain the challenges experienced by agricultural economists in advising the government on the most appropriate mechanisms to support agriculture. [20]

6. a. Outline three reasons why agricultural units hold on to money. [6]
b. Using illustrations and examples, explore the two causes of inflation, clearly highlighting how these affect agricultural resources allocation. [14]

END OF EXAMINATION