GWANDA STATE UNIVERSITY

FACULTY OF LIFE SCIENCES

DEPARTMENT OF HORTICULTURE AND CROP PRODUCTION

BACHELOR OF SCIENCE HONOURS DEGREE IN CROP SCIENCE

INTRODUCTION TO AGRICULTURAL ECONOMICS

LCS 1204/NAE 1102/NHC 1205

Second Semester Final Main Examination Paper

August 2023

This examination paper consists of 2 pages.

Time Allowed:	**Three (3) Hours**
Total Marks:	**100**
Special Requirements:	**None**
Examiner's Name:	**R. FOTI**

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 this section.

1. Using relevant examples, explain the main factors affecting elasticity of demand for agricultural products. **[10 Marks]**

2. a) Define elasticity of supply. **[2 Marks]**

   b) The price of beef in Filabusi rises from $3 to $ 5. As a result, the quantity demanded decreases from 7kg per week to 4 kg per week. Calculate the price elasticity of demand for beef in Filabusi. Explain what your result means. **[10 Marks]**

3. Using a well annotated production possibility frontier diagram, explain the following concepts.
   a) Scarcity **[3 Marks]**
   b) Opportunity cost **[3 Marks]**
   c) Choice **[3 Marks]**

4. a) Explain in detail and using relevant examples the concept of market mechanisms [10 Marks]

   b) Why does the air we breathe not have a price? **[1 Mark]**

5. Give a complete account and giving relevant examples of how a government of a typical developing country can implement its monetary policy. **[18 Marks]**

SECTION B: Answer ONLY TWO questions in this section

6. Discuss the causes and the effects of inflation in a typical developing country such as Zimbabwe. **[20 Marks]**

7. a) Explain using examples the difference between economic growth and economic development. **[10 Marks]**

   b) State and explain giving examples the sources of economic development in an economy such as Zimbabwe. **[10 Marks]**

8. Give a full account of the following concepts as they are used in macroeconomics:

     a) Expansionary fiscal policy.   [5 Marks]

     b) Contractionary fiscal policy   [5 Marks]

     c) Expansionary monetary policy   [5 Marks]

     d) Contractionary Monetary policy   [5 Marks]

END OF EXAMINATION PAPER