

GWANDA STATE UNIVERSITY



FACULTY OF NATURAL RESOURCE MANAGEMENT

DEPARTMENT OF CROP SCIENCES

BACHELOR OF SCIENCE HONOURS DEGREE IN CROP SCIENCE

Introduction to Agricultural Economics

LCS 1204

Second Semester Final Main Examination Paper

June 2023

Time Allowed: 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
3. Marks for each question or part question are indicated in parentheses.

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

QUESTION ONE

- a) Describe the THREE (3) classes of economic goods. [6]
- b) Outline the differences between a need and a want. [2]
- c) Describe the four factors of production, stating the payment made for each of the factors.

[12]

QUESTION TWO

- a) Explain the concepts of scarcity, choice, and opportunity cost with the aid of a well-annotated production possibility frontier. [12]
- b) Describe the relationships between the THREE (3) economic systems, outlining the advantages and disadvantages of each economic system. [12]

QUESTION THREE

- a) Explain the TWO (2) main tools of fiscal policy. [8]
- b) Explain in detail, why money is important in an economy. [8]

SECTION B: Answer TWO questions in SECTION B

QUESTION FOUR

- a) Outline the main functions of money in an economy. [8]
- b) Describe the main tools that the government may adopt to effect monetary policy. [12]

QUESTION 5

- a) Explain the TWO (2) main sources of growth in an economy. [4]
- b) By use of a well-annotated diagram, describe the circular flow of income in a closed economy. [6]
- c) Define fiscal policy and explain the tools that the government can use to effect fiscal policy in a developing country such as Zimbabwe. [10]

QUESTION 6

Discuss inflation under the following headings:

- a) Causes of inflation [6]
- b) Types of inflation [7]
- c) Effects of inflation [7]

END OF EXAMINATION