

GWANDA STATE UNIVERSITY



FACULTY OF NATURAL RESOURCE MANAGEMENT AND AGRICULTURE
DEPARTMENT OF HORTICULTURE AND CROP PRODUCTION
BACHELOR OF SCIENCE (HONOURS) DEGREE IN HORTICULTURE AND CROP
PRODUCTION

Introduction to Agricultural Economics/Principles of Agricultural Economics

NHC 1205/NAE 1101

Second Semester First Segment Final Main Examination Paper

April 2025

Time Allowed: 3 hours

Total Marks: 100

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

Copyright: Gwanda State University 2025

SECTION A: Answer ALL questions in this section

QUESTION 1

- (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. [12]

QUESTION 2

- (a) Explain the three primary methods used to classify economic goods. [6]
- b) Outline the differences between micro- and macroeconomics. [2]
- c) Describe the four factors of production stating the payment made for each of them. [12]

QUESTION 3

- a) Explain the four (4) main tools of monetary policy. [8]
- b) Explain in detail, why money is important in an economy. [8]

SECTION B: Answer ONLY TWO questions from this section

QUESTION 4

Give a detailed account, giving relevant examples and illustrations the main factors that affect the supply of agricultural commodities. [20]

QUESTION 5

- a) Explain the main drivers of economic growth in a typical developing country like Zimbabwe. [8]
- b) Excess money or too little money can affect the way an economy operates. Describe the methods through which the government can control the amount and rate of circulation of money in an economy. [12]

QUESTION 6

Inflation is sometimes referred to as a necessary evil. Discuss the types, causes, and effects of inflation in developing country economies. [20]

END OF EXAMINATION