

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 1101/LCS 1205/NHC1205/LAE1101

Second Semester Final Main Examination Paper

April 2024

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

Copyright: Gwanda State University

SECTION A: Answer ALL questions in this section.

QUESTION ONE

- a) Describe the 3 ways by which economic goods may be classified. [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 them. [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 3 economic systems, outlining the advantages and disadvantages of each. [12]

QUESTION THREE

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

SECTION B: Answer TWO questions from SECTION B

QUESTION FOUR

Discuss the main factors that affect the following elasticities of demand:

- a) Price elasticity of demand [12]
- b) Income elasticity of demand [8]

QUESTION FIVE

- a) Describe the main functions of money in an economy. [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 SIX

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