



2nd SEM. 2006/2007

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UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

PROGRAMME: BSc. in Agriculture V (AEM OPTION)

COURSE CODE: AEM 508

TITLE OF PAPER: ECONOMIC DEVELOPMENT AND TRADE

TIME ALLOWED: TWO (2) HOURS

INSTRUCTION: 1. ANSWER ALL QUESTIONS
2. EACH QUESTION CARRIES TWENTY FIVE (25) MARKS

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THE CHIEF INVIGILATOR**

QUESTION ONE

- (a) Some development economists argue that rapid economic growth and a more equitable distribution of income and economic assets may not have the same objectives. Summarize the arguments both for and against the conflicting objectives. **13 MARKS**
- (b) Discuss the major policy options that could be used to alter and modify the functional and size distribution of income. **12 MARKS**

QUESTION TWO

- (a) Explain briefly how a given developing country may try to offset the existing balance of payments problems. **13 MARKS**
- (b) What arguments would you provide to support the statement that population growth may be desirable in some countries. **12 MARKS**

QUESTION THREE

- (a) Show and explain how the Lorenz curve and Gini coefficient may be used as summary measures of the country's income distribution. **10 MARKS**
- (b) Explain the advantages and disadvantages of import and export promotion. **15 MARKS**

QUESTION FOUR

Explain the pros and cons of foreign investments in developing countries. **25 MARKS**