



UNIVERSITY OF SWAZILAND

SUPPLEMENTARY EXAMINATION PAPER

PROGRAMME: BSc. in Agricultural Economics and Agribusiness  
Management Year I  
BSc. in Agricultural Education Year I  
BSc. in Agronomy Year I  
BSc. in Animal Science Year I  
BSc. in Food Science, Nutrition and Technology Year I  
BSc. in consumer science Year I  
BSc. in Consumer sciences Education Year I  
BSc. in Horticulture Year I  
BSc. in Agricultural & bios stems Engineering Year I  
BSc. in Textiles Apparel Design and Management Year I

COURSE CODE: AEM 103

TITLE OF PAPER: PRINCIPLES OF ECONOMICS

TIME ALLOWED: 2:00 HOURS

INSTRUCTION: ANSWER QUESTION 1 (COMPULSORY) PLUS ANY TWO QUESTIONS

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CHIEF INVIGILATOR

**Question I (Compulsory) [40 marks]**

- a) List the main features of an oligopolistic market. (10 marks).
- b) Explain the main differences between perfect competition and monopolistic competition. (10 marks).
- c) Using your own goods as examples, sketch their indifference curve. Explain the characteristics of your curve. (20 marks).

**And**

**Question 2 [ 30 marks]**

- a) A commodity has a supply elasticity of 0.22. what type of elasticity is this and what does it mean? (6 marks).
- b) The ideal situation in markets is one of pure competition. When do we classify a particular market as being purely competitive (pure competition)? (14 marks)
- c) Illustrate, using a diagram, a floor price. (10 marks).

**Or**

**Question 3 [30 marks]**

Define and give examples of the following key terms as used in Economics:

- a) Giffen good (6)
- b) Supply (6)
- c) Inferior good (6)
- d) Utility (6)
- e) consumer equilibrium (6)

**Or**

**Question 4 [30 marks]**

Given the demand schedule as follows:

Price of good X	Quantity of good X
0	21
1	18
2	15
3	12
4	9
5	6
6	3
7	0

- Sketch the demand curve. (12 marks).
- Calculate the arc elasticity of demand at quantity 15 and 9 respectively. (12 marks)
- What type of good is this and state why? (6 marks).

**END OF PAPER**