

UNIVERSITY OF SWAZILAND
FACULTY OF SOCIAL SCIENCE
DEPARTMENT OF ECONOMICS

SUPPLEMENTARY EXAMINATION PAPER, JULY 2010

TITLE OF PAPER : **PRINCIPLES OF MACRO ECONOMICS**

COURSE CODE : **ECON 104**

TIME ALLOWED : **TWO (2) HOURS**

INSTRUCTIONS : **1. ANSWER ANY THREE (3) QUESTIONS.**

2. ANSWER THREE (3) QUESTIONS IN ALL.

DO NOT OPEN THIS PAPER UNTIL THE INVIGILATOR HAS GRANTED PERMISSION

QUESTION 1

- (a) With the aid of relevant examples, differentiate between 'Direct' and 'Indirect' taxes. [7 marks]
- (b) Discuss the desirable characteristics of a good tax system in Swaziland. [18 marks]

QUESTION 2

Compare and contrast the Classical theory of full employment with the Simple Keynesian theory of Employment. [25 marks]

QUESTION 3

- (a) Differentiate between 'Fiscal' and 'Monetary' policies. [10 marks]
- (b) Discuss the role of a Central Bank. [15 marks]

QUESTION 4

Outline the Say's law and its criticisms. [25 marks]

QUESTION 5

- (a) Discuss four characteristics of developing countries. [12 marks]
- (b) With the aid of relevant examples, trace the origins of the dualistic pattern of the Swazi economy. [13 marks]