

UNIVERSITY OF SWAZILAND
FACULTY OF SOCIAL SCIENCE
DEPARTMENT OF ECONOMICS

SUPPLEMENTARY EXAMINATION PAPER, JULY 2010

- TITLE OF PAPER** : **AGRICULTURAL ECONOMICS**
- COURSE CODE** : **ECON 411**
- TIME ALLOWED** : **THREE (3) HOURS**
- INSTRUCTIONS** :
1. **ANSWER FOUR (4) QUESTIONS: TWO FROM SECTION A AND TWO FROM SECTION B.**
 3. **ALL QUESTIONS CARRY EQUAL MARKS OF TWENTY FIVE (25) EACH.**

DO NOT OPEN THIS PAPER UNTIL THE INVIGILATOR HAS GRANTED PERMISSION.

SECTION A**QUESTION 1**

- a) What do you think is the importance of studying 'Agricultural Economics'? [10 marks]
- b) Describe the common characteristics of agriculture in developing countries.

[15marks]

QUESTION 2

- a) What are the special features of agricultural products? [7 marks]
- b) Discuss the major factors which can influence the longer-term evolution of agricultural product prices. [18 marks]

QUESTION 3

Outline the 'poor-but-efficient' hypothesis formulated by Schultz (1964), drawing evidence from Swaziland. [25 marks]

QUESTION 4

- a) Explain the reasons why it would be fair for the public to support farmers. [15 marks]
- b) Discuss the different sources of AID to farmers. [10 marks]

Section B**QUESTION 5**

- a) Explain the three (3) types of credit to farmers. [7 marks]
b) Discuss the risks of lending to agriculture and possible solutions. [18 marks]

QUESTION 6

- a) List the four (4) groups of production in agriculture. [4 marks]
b) Give two reasons why the Cobb-Douglas is extensively used to estimate the relationship between inputs and outputs in agricultural economics. [6 marks]
c) Explain how the rural-urban migration affects land use and agriculture in Swaziland. [15 marks]

QUESTION 7

Outline the effects of HIV/AIDS pandemic on farm households and discuss some policy issues from the perspective of agriculture in Swaziland. [25 marks]

QUESTION 8

- a) What benefits do African countries stand to gain from the conclusion of the Doha round in as far as agriculture is concerned? [10 marks]
b) Discuss the issues for developing countries in the current Doha Development Agenda (DDA) negotiations. [15 marks]