

**UNIVERSITY OF SWAZILAND
DEPARTMENT OF ECONOMICS**

FINAL EXAMINATION 2010

**TITLE OF PAPER: THE STRUCTURE OF THE SWAZILAND
ECONOMY**

COURSE CODE: ECON 425

INSTRUCTIONS:

- 1. ANSWER FOUR (4) QUESTIONS:
ONE QUESTION FROM EACH SECTION**
- 2. ALL QUESTIONS CARRY EQUAL
MARKS OF 25 EACH**

TIME ALLOWED: THREE(3) HOURS

**THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN
GRANTED BY THE INVIGILATOR**

Section A: Agricultural Economics

Question 1

'The problem of food production and affordability in Swaziland is largely a result of inadequate public intervention in addressing poverty'. Discuss [25 marks]

Question 2

Discuss the importance of Rural Development Area Programmes(RDAPs) and their historical origins in Swaziland. [25 marks]

Section B: International Economics

Question 3

(a) The external sector has played a very substantial role in the Swazi economy. Discuss this statement. [16 marks]

(b) Examine one industry that has played a major role in both the internal and external sectors of the economy of Swaziland. [9 marks]

Question 4

(a) Discuss the structure of the exports and imports of Swaziland. [10 marks]

(b) What are the factors that determine the structure indicated in (a)? [5 marks]

(c) Examine the destinations of Swaziland's exports and sources of her imports. [10 marks]

Section C: Monetary Economics

Question 5

The Central Bank of Swaziland is trying to find ways of making the stock market active in Swaziland. Do you think it is important to promote such a market in Swaziland? What are the disadvantages of having a stock market in the country? [25 marks]

Question 6

(a) What are the likely causes of the existence of the informal financial sector in Swaziland? [12 marks]

(b) Discuss the impact of the informal financial sector on the monetary policy of Swaziland.
[13 marks]

Section D: Public Sector Economics

Question 7

a) Outline the main functions of government. Use examples from the Swaziland economy
[10 marks]

b) “ Government intervenes mainly because of market failure to allocate resources efficiently in the economy as portrayed under Pareto Optimality. What are the main causes of market failure in Swaziland?

[15 marks]

Question 8

a) Describe the six pillars and actions around which the Poverty Reduction Strategy and Action Programme (PRSAP) for Swaziland has been developed. [13 marks]

b) Comment on the progress that the Kingdom of Swaziland has made towards the attainment of the Millennium Development Goals. [12 marks]