

**UNIVERSITY OF SWAZILAND**

**DEPARTMENT OF ECONOMICS**

**SUPPLEMENTARY EXAMINATION 2010/2011**

**TITLE OF PAPER : MACROECONOMICS**

**COURSE CODE : ECON 104**

**INSTRUCTIONS : 1. ANSWER TWO QUESTIONS IN SECTION A AND ONE QUESTION IN SECTION B**

**2. ALL QUESTIONS CARRY 25 MARKS EACH**

**3. DECIMAL NUMBERS ARE TO BE ROUNDED TO TWO (2) DECIMAL PLACES**

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

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

**SECTION A**

ANSWER TWO QUESTIONS FROM THIS SECTION

**QUESTION 1**

1.1 Describe THREE characteristics for money to be accepted by people as money. (15)

1.2 Describe the TWO components of transactions money. (10)

**(25 Marks)**

**QUESTION 2**

Graphically discuss the integration of the goods and money market models. (25)

**(25 Marks)**

**QUESTION 3**

Graphically derive the IS and LM curves and explain the differences between the two curves. (25)

**(25 Marks)**

**SECTION B**

ANSWER ONE QUESTION ONLY FROM THIS SECTION

**QUESTION 4**

Answer the following questions on the economy of Swaziland.

4.1.1 What are the main export products and main import products for the country? (15)

4.1.2 What is the contribution (%) of agriculture to GDP in Swaziland? (5)

4.2.1 What are the main manufacturing products in Swaziland? (10)

4.2.2 What is the contribution (%) of manufacturing to GDP in Swaziland? (5)

4.3 What are your views on the appreciation of Lilangeni and how it has affected the development in Swaziland? (15)

**QUESTION 5**

5.1 Discuss why Swaziland is one of developing countries (20)

5.2 Describe the importance of taxation in Swaziland (10)

5.3 Discuss the different forms of taxation. (20)