

**UNIVERSITY OF SWAZILAND  
FACULTY OF SOCIAL SCIENCE  
DEPARTMENT OF ECONOMICS  
MAIN EXAMINATION 2012**

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

**COURSE CODE: ECON 425**

**TIME ALLOWED: THREE (3) HOURS**

**INSTRUCTIONS: 1. ANSWER ONE QUESTION FROM EACH SECTION.**

**2. ANSWER EACH QUESTION ON A NEW BOOKLET.**

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## Section A Agricultural Economics

### Question 1

Explain the different stages of the agricultural transformation in Sub-Saharan Africa.

(25 marks)

### Question 2

- a) What is meant by the term "agricultural economics"? (3 marks)
- b) Why is the agricultural sector regarded as important to the growth and development of the Swaziland economy. (10 marks)
- c) Discuss four challenges confronting agricultural development in Swaziland. (12 marks)

## Section B International Economics

### Question 3

Describe Swaziland's trade policy from your own perspective.

(25 marks)

### Question 4

Discuss the economy of Swaziland from the growth of the foreign sector's point of view. (25 marks)

## Section C Monetary Economics

### Question 5

- a) The Central Bank of Swaziland in consultation with the Monetary Policy Consultative Committee periodically issues press statements. Enumerate the usual contents of these statements. Indicate whether or not these are crucial for households and or businesses in the country. Support your points. (10 marks)

- b) There is a positive one- way positive relationship between financial sector development and growth. Do you agree? Support your decision using economic theory and practical examples from the Swazi economy. (15 marks)

**Question 6**

- a) Briefly outline the vision and mission statements of the Central Bank of Swaziland. (5 marks)
- b) Based on the mission statement discuss the mandate of the Central Bank. In your opinion, how successful is the bank in carrying out its mandate. Support your position. (10 marks)
- c) Recently (January 2012) the IMF indicated that the financial sector in Swaziland was facing challenges due to the fiscal and financial crisis facing the country. Discuss. (10 marks)

**Section D Public Sector Economics**

**Question 7**

- a) Carefully outline the rationale for government involvement in the operation of the economic system in Swaziland. (15 marks)
- b) Explain fully five major reasons for the failure of the government to achieve the desired goals. (10 marks)

**Question 8**

- a) Using two public expenditure growth theories, explain the causes of growth in public expenditures. (10 marks)
- b) Which of the two growth theories discussed in a) above would be more applicable in Swaziland? Explain fully. (15 marks)