

UNIVERSITY OF SWAZILAND
DEPARTMENT OF ECONOMICS
SUPPLEMENTARY EXAMS 2013

PAPER TITLE : PRINCIPLES OF MACROECONOMICS
COURSE CODE : ECON 104

INSTRUCTIONS:

- 1. ANSWER ANY FOUR QUESTIONS**
- 2. ALL QUESTIONS CARRY 25 MARKS EACH**
- 3. TIME ALLOWED IS TWO (2) HOURS**

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

QUESTION 1 [25]

A. Discuss the Keynesian multiplier and support your answer with a diagramme (12).

B. What are the factors which affect the demand for money? (13)

QUESTION 2 [25]

A. Discuss the concept of unemployment in the Classical model and show the graph (15).

B. Explain the meaning of the quantity theory of money (10)

QUESTION 3 [25]

Describe Four main factors that create changes in money supply.

QUESTION 4 [25]

Describe the Three different forms of taxation commonly used in economy

QUESTION 5 [25]

A. What is a developing country? (5)

B. Describe at least Five characteristics of a developing country (5 x 4 = 20)

QUESTION 6 [25]

A. Describe the economy of Swaziland (12)

B. What are the main characteristics of the Swaziland's economy? (13)