

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

TITLE OF PAPER: STRUCTURE OF THE SWAZI ECONOMY 1

COURSE CODE: ECON 427

TIME ALLOWED: TWO (2) HOURS

INSTRUCTIONS:

- 1. ANSWER ONE QUESTION FROM EACH SECTION.**
- 2. ANSWER EACH QUESTION ON A NEW BOOKLET.**

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

Section A Agricultural Economics

Question 1

- a) "Modernization of traditional Agriculture is critical to food security and poverty alleviation in Sub-Saharan Africa (SSA)"
- i. What is meant by modernization of Agriculture? [5 marks]
 - ii. What is your view on the above statement with regards to the role of agriculture in Swaziland? [20 marks]
- b) What is meant by land reform? What are the objectives of land reform? [12 marks]
- c) Discuss the role of Rural Development Area Programmes (RDAP's) in accelerating agricultural growth in Swaziland. [13 marks]

Question 2

- a) Explain what is meant by food security. [4 marks]
- b) What measures can be used to address the poverty and food insecurity problems in Swaziland? [21 marks]
- c) Based on the different stages of agricultural development, explain the agricultural transformation in your country over the last decade. Clearly indicate the key players at each stage of transformation. [25 marks]

Section B Monetary Economics

Question 3

- a) Define financial intermediaries and their role in an economy, using examples from Swaziland. (10 marks)
- b) It is crucial that the financial sector is regulated. Discuss. (5 marks)
- c) There are many ways used to distinguish among financial markets. Discuss any three. (10 marks)
- d) List the counters listed on the Swaziland stock exchange. Outline the challenges facing the SSX. (10 marks)
- e) Discuss the nature and size of the informal financial sector in Swaziland. In your answer, highlight the threats posed by this sector for the formal financial sector. (10 marks)
- f) What are the benefits Swaziland derives from membership in the Common Monetary Area. (5 marks)

Question 4

- a) Outline the structure of the financial sector in Swaziland? (10 marks)
- b) Discuss the main challenges facing the financial sector in Swaziland. Use current statistics as much as possible. (15 marks)
- c) Why is it important for monetary policy to be in sync with fiscal policy in an economy? (5 marks)
- d) Discuss the main instruments of monetary policy in Swaziland. (10 marks)
- e) Delineate the origins of the financial crisis that started in 2008 in the USA. How has it affected the financial sector in Swaziland? (10 marks)