

Question 4

- a) Distinguish risk from uncertainty. [5 marks]
- b) What are the possible consequences of uncertainty in agriculture? [10 marks]
- c) What are the possible strategies for African Agricultural Development? [10 marks]

Question 5

- (a) Shiyabedlais a maize farmer faced with the following production function; the price of output is E0.65, $P_{x_1} = 9$ and $P_{x_2} = 7$. Find the profit maximization point for the farmer. [20 marks]
- (b) What determines the most efficient level of variable inputs for a profit maximizing producer. [5 marks]

Question 1 (Compulsory)

- a) Define and outline the key features of a traditional economy and a modern sector. [12 marks]
- b) "Poor peasant farmers are inefficient and barely respond to economic incentives". Critically examine the relevance of this statement. [10 marks]
- c) Mention and discuss any five factors that could hasten the process of agricultural transformation in Sub-Saharan Africa. [13 marks]

Question 2

- (a) One of the major contribution of the agricultural sector to the growth and development of the Swaziland economy is through the revenue it generates for the government. In what way does the agricultural sector provide revenue to an economy? [5 marks]
- (b) How can over-reliance on the agricultural sector as the contributor of revenue be dangerous to an economy like Swaziland? [10 marks]
- (c) Discuss any five challenges facing the agricultural sector in Swaziland. [10 marks]

Question 3

Write short explanatory notes on the following concepts:

- (a) Elasticity of production
 - (b) Economic efficiency
 - (c) Marginal rate of substitution
 - (d) Share tenancy
 - (e) Competitive vs. supplementary products
- [5x5=25 marks]

UNIVERSITY OF SWAZILAND
FACULTY OF SOCIAL SCIENCE
DEPARTMENT OF ECONOMICS
MAIN EXAMINATION PAPER: NOVEMBER, 2013

TITLE OF PAPER: ECONOMICS OF AGRICULTURE

COURSE CODE: ECON 410

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS:

1. Answer Question **ONE** and any other **TWO** questions.
2. Show all relevant workings to your answer
3. All Questions carry a total of 25 marks

SPECIAL REQUIREMENTS: SCIENTIFIC CALCULATOR

DO NOT OPEN THIS QUESTION PAPER UNTIL INSTRUCTED TO DO SO BY THE INVIGILATOR.