

**UNIVERSITY OF SWAZILAND
FACULTY OF SOCIAL SCIENCE
DEPARTMENT OF ECONOMICS**

MAIN EXAMINATION PAPER: MAY, 2014

TITLE OF PAPER: MACROECONOMICS

CORSE CODE: ECON 203/ IDE- ECON 203

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS

- 1. ANSWER FOUR QUESTIONS. TWO FROM SECTION A AND TWO FROM SECTION B. Note that Question 1 in Section A is Compulsory**
- 2. ALL QUESTIONS CARRY EQUAL MARKS OF 25**
- 3. BEGIN A NEW QUESTION ON A NEW PAGE**

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SECTION A

QUESTION 1

1. a) 'While the Swazi economy was one of the fastest growing in the world in the 1980s, growth has slowed down significantly today'. What reasons would you give for the slow growth of the Swazi economy? (25 marks)
- b) Describe the main objective of the Fiscal Adjustment Roadmap (FAR)? (7marks)
- c) Is financing the government deficit by borrowing rather than raising taxes a best option? Explain your answer. (18 marks)

QUESTION 2

- a) Is the severe fiscal crisis over in Swaziland? Explain your answer. (30 marks)
- b) 'Since the introduction of Value Added Tax (VAT) in Swaziland, it has frequently suffered from being incomplete in one aspect or another'. Do you agree or disagree with this statement? Explain your reasoning. (20 marks)

SECTION B

QUESTION 1

- a. Briefly justify the role of trade in Swaziland's economy. (10 marks)
- b. Briefly describe the functioning of monetary policy in Swaziland. (15 marks)
- c. 'The right fiscal measures, if accompanied by decisive reforms, could put the economy on a path of strong and inclusive growth'. Briefly discuss this statement. (25 marks)

QUESTION 2

- a. What is dualism theory? (15 marks)
- b. Why is the economy of Swaziland a dual economy? (15 marks)
- c. Explain the current size and growth of Swaziland's foreign sector in your own words. (20 marks)

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PAPER TITLE : STRUCTURE OF THE SWAZI ECONOMY
COURSE CODE : ECON 428

INSTRUCTIONS:

1. ANSWER ONE QUESTION FROM EACH SECTION
2. ALL QUESTIONS CARRY 50 MARKS EACH

TIME ALLOWED: THREE (3) HOURS

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- b) There is a positive one- way 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 5

- a) Provide a detailed classification of the financial sector in Swaziland? (15 marks)
- b) Discuss the main challenges facing the banking sector in Swaziland. Use current statistics as much as possible. (10 marks)

Question 6

- a) Discuss the main instruments of monetary policy in Swaziland. (12.5 marks)
- b) Delineate the origins of the financial crisis that started in 2008 in the USA. How has it affected the financial sector in Swaziland? (12.5 marks)

Section A Agricultural Economics

Question 1

- a) Define the meaning of the term "Agricultural Economics" [3 marks]
- b) Briefly discuss the three stages through which the field of agricultural economics has evolved. [12 marks]
- c) Explain why the agricultural sector is critical in the economic development of the Swazi economy. [10 marks]

Question 2

- a) What is meant by Land Tenure system? [3marks]
- b) Discuss the impediments to accelerated agricultural performance in Swaziland. [22 marks]

Question 3

- 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]

Section B Monetary Economics

Question 4

- a) The Central Bank of Swaziland in consultation with the Monetary Policy Consultative Committee periodically issues ^{statements} 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)

**UNIVERSITY OF SWAZILAND
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MAIN EXAMINATION
NOVEMBER, 2013**

TITLE OF PAPER: STRUCTURE OF THE SWAZI ECONOMY 1

COURSE CODE: ECON 427

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS:

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

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