

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

MAIN EXAMINATION PAPER: DECEMBER 2014

TITLE OF PAPER: STRUCTURE OF THE SWAZI ECONOMY I

COURSE CODE: ECON 427

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS:

1. Answer Four (4) Questions, Two from Section A and Two from Section B.
2. All Questions Carry Equal Marks of 25 each in total.

**DO NOT OPEN THIS QUESTION PAPER UNTIL THE
INVIGILATOR HAS GRANTED PERMISSION.**

SECTION A

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]

Question 2

- b) Explain the concept of agricultural development with respect to the following stages:
- i. Growth and modernization era [9marks]
 - ii. Growth with equity era (Basic needs approach) [8 marks]
 - iii. Macroeconomic adjustment era [8 marks]

Question 3

- a) Define the concept of rural development and hence discuss the need and importance of rural development. [10 marks]
- b) How relevant is the concept of rural development is to reducing poverty in Swaziland? Explain current initiatives that are undertaken to address the rural poverty problems in the country. [15 marks]

SECTION B

Question 4

- a) Discuss the role of Financial Services Regulatory Authority in the financial landscape in Swaziland. Be sure to discuss its mandate and vision. [15 marks]
- b) The Central Bank of Swaziland (CBS) supervises banks using on-site and off-site supervision methods. Explain. [10 marks]

Question 5

- a) Provide an overview of the financial system in Swaziland. What are the major challenges facing the banking sector, in Swaziland? [15 marks]
- b) Various ways can be used to differentiate between financial markets. Outline these. [10 marks]

Question 6

- a) Discuss the role played by the Swaziland Stock Exchange (SSX) in the financial sector. [5 marks]
- b) List the counters on the SSX
- c) Financial intermediaries diversify risk, ease the problem of information asymmetry and carry out the asset transformation function. Explain. [10 marks]
- d) Why is it important for the CBS to be accountable? In your opinion is the CBS accountable? Explain. [5 marks]