

**UNIVERSITY OF SWAZILAND
DEPARTMENT OF ECONOMICS
FINAL EXAMINATION MAY 2015**

**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

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

SECTION A

QUESTION 1

- a) Write short notes on the following Non-Tariff Barriers, stating clearly how they are operationalised.
 - i) Voluntary Export Restraints (VERs)
 - ii) Import Quotas (10 marks)
- b) With the aid of a graph, illustrate the conditions under which the imposition of a tariff may improve the welfare of the country. (15 marks)
- c) Swaziland is a member of the Common Monetary Area (CMA) with Lesotho, Namibia, and South Africa. Discuss the costs and benefits of Swaziland's membership in the arrangement. (25 marks)

QUESTION 2

- a) State and explain the three (3) main ways in which World Trade Organisation (WTO) negotiations address trade restrictions. (15 marks)
- b) A Customs Union can either be **Trade Creating or Trade Diverting**. Graphically illustrate and explain these concepts. (15 marks)
- c) In the context of Swaziland, do you think that SACU is a trade creating or trade diverting customs union? Support your arguments with examples on trade flows in the customs union. (20 marks)

SECTION B

QUESTION 3

- a) Describe how reviewing government assets will improve the fiscal position and public financial management in Swaziland. (15 marks)
- b) How does a rising national debt affect the economy as a whole? (15 marks)
- c) Describe fully the justification for and role of public Enterprises in Swaziland. (20 marks)

QUESTION 4

- a) What is government? (12 marks)
- b) Describe fully the three levels of government. (18 marks)
- c) Discuss any four (4) means adopted by the Swaziland Revenue Authority (SRA) of dealing with tax evasion in Swaziland. (20 marks)