FACULTY OF MANAGEMENT SCIENCES

DEPARTMENT OF ACCOUNTING, ECONOMICS AND FINANCE

QUALIFICATION: BACHELOR OF ECONOMICS	
QUALIFICATION CODE: 07BECO	LEVEL: 7
COURSE CODE: EOA611S	COURSE NAME: ECONOMICS OF AGRICULTURE
SESSION: JUNE 2022	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY EXAMINATION _PAPER	
EXAMINER(S)	MR. MALLY LIKUKELA
MODERATOR:	MR. PINEHAS NANGULA

INSTRUCTIONS
1. This paper consist of section **A,B** and **C**
2. Answer **ALL** questions
3. Number your answers in accordance with the question paper.
4. Start each section answer on a new page
5. Write clearly and legibly

PERMISSIBLE MATERIALS

1. Pen/pencil/eraser
2. Ruler

THIS EXAMINATION MEMORANDA CONSISTS OF 3 PAGES (Including this front page)

SECTION A   35 MARKS

QUESTION 1   [5 MARKS]

The terms microeconomics and macroeconomics are frequently used in the study
of economics, briefly illustrate the difference by using clear examples.

QUESTION 2   [10 MARKS]
Define the following terms;

1. Price elasticity of demand
2. Indifference curve
3. Market equilibrium
4. Utility function:
5. Marginal Rate of Substitution

QUESTION 3   [10 MARKS]
Describe the five categories of price elasticity of demand.

QUESTION 4   [10 MARKS]
Explain what is meant by the term Budget Constraint, name and discuss the elements on
which the budget constraints is dependent upon.

SECTION B   45 MARKS

QUESTION 1   [20 MARKS]
Distinguish between a movement along the demand/supply curve and the shift
of a demand/supply curve, and explain using the appropriate graphs.

QUESTION 2   [10 MARKS]

Discuss five main challenges facing the Namibian agriculture sector.

QUESTION 3   [15 MARKS]

The success of the agriculture sector depends on the critical roles played by various
stakeholders in the economy. Select one stakeholder of your choice and discuss the role which
that particular stakeholder plays in the agriculture sector.

QUESTION 1

Consider the following scenarios pertaining to developments in a particular consumer's income.

Scenario 1: Consider a consumer who can spends his income of 300 on good A or on good B or on any combination of A and B. One unit of A costs 3 and one unit of B costing 5. Draw a budget line.   [5 Marks]

Scenario 2: Imagine the same consumer, his income rises from 300 to 360, other things remaining equal. Draw an additional new budget line to illustrate the change.

[5 Marks]

Imagine the consumer in Scenario 2, the price of 1 unit of B falls from 5 to 4, other things remaining equal. Draw an additional new budget line to illustrate the change.

[5 Marks]