



**NAMIBIA UNIVERSITY**  
OF SCIENCE AND TECHNOLOGY  
FACULTY OF MANAGEMENT SCIENCES

DEPARTMENT OF ACCOUNTING, ECONOMICS AND FINANCE

QUALIFICATION: BACHELOR OF ECONOMICS	
QUALIFICATION CODE: 07BECO	LEVEL: 6
COURSE CODE: ENS612S	COURSE NAME: ECONOMICS OF NAMIBIA AND SACU COUNTRIES
SESSION: NOVEMBER 2019	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION PAPER	
EXAMINER(S)	MR. MALLY LIKUKELA
MODERATOR:	MR. PINEHAS NANGULA

INSTRUCTIONS	
<ol style="list-style-type: none"><li>1. This paper consist of section A,B and C</li><li>2. Answer ALL questions</li><li>3. Number your answers in accordance with the question paper.</li><li>4. Start each section answer on a new page</li><li>5. Write clearly and legibly</li></ol>	

PERMISSIBLE MATERIALS

1. Pen/pencil/Eraser
2. Ruler

THIS EXAMINATION PAPER CONSISTS OF 2 PAGES (Including this front page)

**SECTION A****35 MARKS****QUESTION 1****[10 MARKS]**

Distinguish the difference between the following terms:

- 1) Money and Capital market
- 2) Flexible and Fixed exchange rate
- 3) Absolute and Comparative advantage
- 4) Legislative and Executive branch of Government
- 5) Fiscal and Monetary policy

**QUESTION 2****[15 MARKS]**

Economic integration is an arrangement between different regions that often includes the reduction or elimination of trade barriers, and the coordination of monetary and fiscal policies. Discuss in detail the main benefits of economic integration.

**QUESTION 3****[10 MARKS]**

The Southern African Development Community (SADC) is an inter-governmental organization headquartered in Gaborone, Botswana. Its goal is to further socio-economic cooperation and integration as well as political and security cooperation among 16 southern African countries. Discuss five main challenges that are preventing SADC from effectively achieve these objectives.

**SECTION B****30 MARKS****QUESTION 1****[15 MARKS]**

Discuss the main economic functions of a Government in the economy

**QUESTION 2****[15 MARKS]**

Using the appropriate graph, explain the main channels in which the impact of the monetary policy taken by the Bank of Namibia (BON) through its regular monetary policy committee (MPC) meeting is transmitted through to the real economy.

**SECTION C****35 MARKS****QUESTION 1****[15 MARKS]**

Define EPZ policy and discuss its main objectives particularly in Namibia

**QUESTION 2****[20 MARKS]**

Privatization is considered by many to be the optimal solution for most government that wants to restructure their economic sectors for the benefit of the state. Do you agree or not, justify your answer.