



**NAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION**

**DEPARTMENT OF ECONOMICS, ACCOUNTING AND FINANCE**

<b>QUALIFICATION: BACHELOR OF ECONOMICS</b>	
<b>QUALIFICATION CODE: 07BECO</b>	<b>LEVEL: 7</b>
<b>COURSE CODE: EOA611S</b>	<b>COURSE NAME: ECONOMICS OF AGRICULTURE</b>
<b>SESSION: JULY 2025</b>	<b>PAPER: THEORY</b>
<b>DURATION: 3 HOURS</b>	<b>MARKS: 100</b>

<b>SECOND OPPORTUNITY EXAMINATION_PAPER</b>	
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<b>MODERATOR:</b>	MR. PINEHAS NANGULA

<b>INSTRUCTIONS</b>
<ol style="list-style-type: none"><li>1. This paper consist of section <b>A,B,C</b> and <b>D</b></li><li>2. Answer <b>ALL</b> 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
3. Calculator

**THIS EXAMINATION PAPER CONSISTS OF 4 PAGES** (Including this front page)

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**SECTION A: MULTIPLE CHOICE****[10 MARKS]**

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- 1. The term utility is generally related to** [1]  
A. Satisfaction  
B. Necessary  
C. Useless  
D. Useful
- 2. If the quantity demanded of a commodity is unresponsive to change in prices, then the demand of that commodity is \_\_\_\_\_.** [1]  
A. Perfectly inelastic  
B. Elastic  
C. Unit elastic  
D. Inelastic
- 3. Form of credit used to increase production or income or used to purchase land, livestock, equipment, seed, fertilizer is known as:** [1]  
A. Consumption Credit  
B. Productive Credit  
C. Operational Credit  
D. Collateral Credit
- 4. Which of the following is not a cause of the shift in demand for a product?** [1]  
A. Change in the price of substitutes  
B. Change in the income of a consumer  
C. Change in the price of a product  
D. None of the above
- 5. An Indifferent curve** [1]  
a. indicates the combinations of any two goods or services that are attainable when the community's resources are fully and efficiently employed  
b. Is a graphed function that shows all combinations of two goods that provide exactly the same degree of satisfaction to a consumer.  
c. Indicates the maximum amount/quantities of outputs (goods/services) an economy can achieve  
d. None of the above
- 6. A 10% increase in the price of movie ticket in Westridge 8 movie theatre leads to a 15% decrease in the number of tickets sold. This indicates that the demand for movie tickets in Westridge 8 is:** [1]  
A. elastic.  
B. inelastic.  
C. unit elastic.  
D. Can not tell from the information given.

7. The elasticity for the demand of durable goods is \_\_\_\_\_. [1]  
 A. Zero  
 B. Equal to unity  
 C. Greater than unity  
 D. Less than unity
8. When a firm has little ability to influence market prices it is said to be in what kind of a market? [1]  
 A. a competitive market  
 B. a strategic market  
 C. a thin market  
 D. a power market
9. According to the principle of diminishing marginal utility, [1]  
 A. marginal utility remains the same  
 B. total utility remains the same  
 C. marginal utility decreases with each additional unit of a good  
 D. that that is consumed.
10. Which of the following is not a characteristic of a perfectly competitive market? [1]  
 A. Firms in the market produce differentiated products.  
 B. A large number of sellers and buyers.  
 C. Freedom of entry into and exit from the market.  
 D. Perfect information among buyers and sellers.

**SECTION B:**

**10 MARKS**

Distinguish between a movement along the demand/supply curve and the shift of a demand/supply curve, and explain using the appropriate graphs. [10 Marks]

**SECTION C**

**50 MARKS**

**QUESTION 1**

**20 MARKS**

**Demand Schedule**

Price	Quantity demanded
N\$4	400
N\$6	350

**Refer to Table above:**

- i. Calculate the price elasticity of demand for a price increase from N\$4 to N\$6, using the point elasticity formula.
- ii. Calculate the price elasticity of demand between N\$4 and N\$6, using the ARC formula.

**QUESTION 2****[30 MARKS]**

Use the following schedule to answer question below

Table 5:

Units of Labour	Total Product	Marginal Product
0		
1	100	100
2	195	
3		80
4		

1. What is the Avg. Product when 1 Unit of labour is employed? [5]
2. What is the marginal product of the 2<sup>nd</sup> Unit of labour? [5]
3. What is the Total product of the first three units of labour? [5]
4. If Optimum level of output results at end of 4th unit of labor, TP & MP shall be [5]
5. If you know that with 8 units of output, average fixed cost is N\$.12.50 and average variable cost is N\$.81.25, then total cost at this output level is: [5]
6. With fixed costs of N\$.400, a firm has average total costs of N\$.3 and average variable costs of N\$.2.50. Its output is: [5]

**SECTION D****30 MARKS****QUESTION 1****15 MARKS**

Identify and discuss [5] main challenges facing the Namibian agriculture sector.

**QUESTION 2****15 MARKS**

Identify and discuss [5] main determinants of demand, provide an appropriate example for each determinant