



NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

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 2024	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION PAPER	
EXAMINER(S)	Mr. Mally Likukela
MODERATOR:	Mr Eslon Ngedeepe

INSTRUCTIONS
<ol style="list-style-type: none">1. There are four (4) Questions in this paper.2. Candidates must answer all Questions.3. Write clearly and neatly.4. Number the answers clearly.

PERMISSIBLE MATERIALS

1. Examination paper
2. Examination script

THIS QUESTION PAPER CONSISTS OF 5 PAGES [Including this front page]

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

1. Brewing of alcoholic and non-alcoholic beverages falls under:
 - a) Primary Industry
 - b) Secondary Industry
 - c) Tertiary Industry
 - d) Namibia Brewery
2. Diamond Polishing falls under :
 - a) Primary Industry
 - b) Secondary Industry
 - c) Tertiary Industry
 - d) None of the above
3. The following is the main causes of inflation in Namibia:
 - a) Imported inflation
 - b) Excess supply of Money
 - c) High fuel prices
 - d) All of the above
4. Which of the following is not a policy for dealing with unemployment:
 - a) Promotion of investment
 - b) Education and training
 - c) Protection of local producers
 - d) Mandatory vaccination for all workers
5. The Executive Branch:
 - a) Interprets constitution and laws
 - b) Oversee and implements policies contained in legislation
 - c) The highest decision and policy making institution in a democratic state
 - d) All of the above
6. Goods that are thought to be good for someone regardless of the person's own preferences are known as:
 - a) Mandatory goods
 - b) Merit goods
 - c) Normal goods
 - d) Inferior goods
7. Comparative advantage occurs:
 - a) When one country cannot produce a good or service at a lower opportunity cost than another.
 - b) When one country can produce a good or service at a lower opportunity cost than another.
 - c) When a country is able to produce a good or service at a lower cost per unit than the cost at which any other entity produces that good or service.
 - d) When a country is able to produce a good or service at a lower cost per unit than the cost at which any other entity produces that good or service.

8. Which of the institutions does not form part of the SADC institutions:
 - a) The Committee of Heads of States
 - b) The Council of Ministers
 - c) The Secretariat
 - d) SADC Military Council
9. Market for transaction of short-term funds:
 - a) Capital Markets
 - b) Money Markets
 - c) Credit Markets
 - d) None of the above
10. A form of Government where only a few people have power is known as:
 - 1) Dictatorship
 - 2) Oligarchy
 - 3) Democracy
 - 4) Autocracy

SECTION B: TRUE OR FALSE
[10 MARKS]

1. Namibia is a member of all regional economic groups
2. Namibia's Agricultural (livestock) sector is well known for producing and exporting high quality species of horse mackerel, and other varieties of sea animals.
3. Diamond processing sector falls both under primary industry and secondary industry.
4. Economic integration reduces cost of trading amongst member country.
5. In a free market system, Government brings buyers and sellers together.
6. The branch of government responsible for drafting, approving and amending laws is known as the Judiciary.
7. Neighbors loud music, smoke, air pollution, contagious diseases is an example of a third party effect – known as externality in the field of economics.
8. Companies that operates under the EPZ regime are required to pay very low corporate tax.
9. Monetary policy is the usage of tax and public expenditures to influence macro-economic variables.
10. Inflation is *not* an increase in the prices in a particular industry.

SECTION C:**[50 Marks]****Question 1:****[10 Marks]**

Define the following terms

- i. Public Debt (2)
- ii. Absolute advantage (2)
- iii. Comparative advantage (2)
- iv. Privatization (2)
- v. Economic Integration (2)

Question 2**[25 Marks]**

Demonstrate how governments use macroeconomic policies to achieve its objectives. Illustrate using appropriate examples.

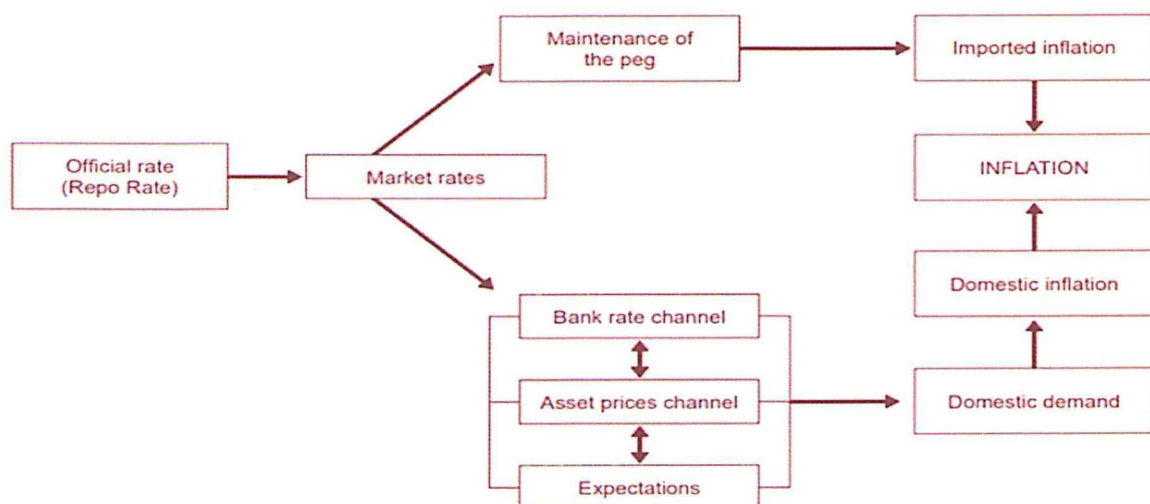
Question 3:**[15 Marks]**

The following attributes of corruption undermines well-functioning markets: Explain how.

1. a tax that distorts competition & lower returns
2. a barrier to new entries in market competition
3. subvert state's legitimacy

SECTION D:**[30 MARKS]****Question 1:****[15 Marks]**

Study the figure below. Describe the Monetary Policy transmission mechanism for Namibia and explain why the Bank rate Channel is the most effective channel in the mechanism.



Question 2:**[15 Marks]**

Provide context by way of an appropriate example (or a scenario) of each of the following advantages of Privatization.

- i. Source of revenue and Reduced dependency on state resources
- ii. Efficiency is improved upon
- iii. Widening of ownership structure
- iv. Income redistribution
- v. Foreign investments are attracted