



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF ECONOMICS, ACCOUNTING AND FINANCE

QUALIFICATION: BACHELOR OF ECONOMICS	
QUALIFICATION CODE: 07BECO	LEVEL: 7
COURSE CODE: EOA611S	COURSE NAME: ECONOMICS OF AGRICULTURE
SESSION: JULY 2024	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY EXAMINATION_PAPER	
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MODERATOR:	MR. PINEHAS NANGULA

INSTRUCTIONS	
<ol style="list-style-type: none">1. This paper consist of section A,B,C and D2. Answer ALL questions3. Number your answers in accordance with the question paper.4. Start each section answer on a new page5. Write clearly and legibly	

PERMISSIBLE MATERIALS

1. Pen/pencil/eraser
2. Ruler
3. Calculator

THIS EXAMINATION PAPER CONSISTS OF 5 PAGES (Including this front page)

SECTION A: Multiple choice

[10 MARKS]

- 1. Which of the following is NOT a factor of production? [1]**
- A. the water used to cool a nuclear power plant.
 - B. the wages paid to workers.
 - C. the effort of farmers raising cattle.
 - D. the management skill of a small business owner.
- 2. In which economy do consumers and producers make choices based on market forces of supply and demand? [1]**
- A. Market economy
 - B. Open economy
 - C. Controlled economy
 - D. Command economy
- 3. Which of the following causes a movement along a demand curve, but not a shift of the demand curve? A change in: [1]**
- A. buyers' expectations.
 - B. the number of buyers.
 - C. the price of other goods.
 - D. the price of the good.
- 4. 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.

5. **When marginal is negative, it must be true that** [1]
A. The average is positive
B. The average is negative
C. The total is decreasing
D. The total is negative
6. **The elasticity for the demand of durable goods is _____.** [1]
A. Zero
B. Equal to unity
C. Greater than unity
D. Less than unity
7. **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
8. **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.
9. **Demand is a schedule of** [1]
A. how much of a good a person wants.
B. each possible price and the amounts people will buy when their incomes change.
C. how much of a good people will purchase at different prices.
D. how much of a good people will purchase at each different price and income.
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.

SECTION C**50 MARKS****QUESTION 1****20 MARKS**

Table 3 Demand Schedule

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

1.2 Refer to Table 3:

- i. Calculate the price elasticity of demand for a price increase from N\$4 to N\$6, using the point elasticity formula. **[10]**
- ii. Calculate the price elasticity of demand between N\$4 and N\$6, using the ARC (midpoint) formula. **[10]**

QUESTION 2**[30 MARKS]**

Use the following schedule to answer question below

Table 4:

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

11. What is the Avg. Product when 1 Unit of labour is employed? [5]
12. What is the marginal product of the 2nd Unit of labour? [5]
13. What is the Total product of the first three units of labour? [5]
14. If Optimum level of output results at end of 4th unit of labor, TP & MP shall be [5]
15. 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]
16. 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**

Discuss 6 main challenges facing the Namibian agriculture sector.