



**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 2023	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

2ND OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER(S)	MR. MALLY LIKUKELA
MODERATOR:	MR. PINEHAS NANGULA

INSTRUCTIONS
<ol style="list-style-type: none">1. Answer ALL the questions.2. Read all the questions carefully before answering.3. Number the answers clearly

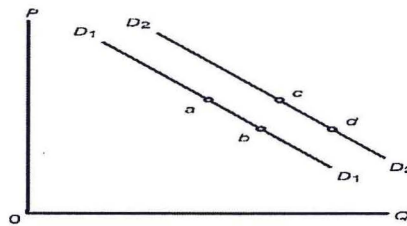
THIS QUESTION PAPER CONSISTS OF _6_ PAGES (Including this front page)

1. Demand is a schedule of

- (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.

Figure 1 represents two demand curves for Coke.

Figure 1

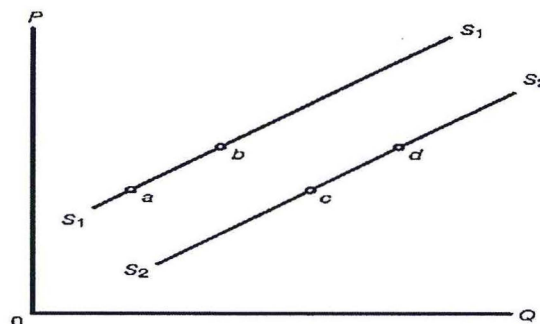


2. Refer to Figure 1. Choose the correct statement.

- (a) A movement from a to c can be caused by an increase in the incomes of Coke consumers.
- (b) A movement from c to a can be caused by a decrease in the price of Coke.
- (c) A movement from b to a can be caused by an increase in the number of Coke consumers.
- (d) A movement from b to d can be caused by an increase in the price of Coke.

3. Figure 2 represents two supply curves for Coke.

Figure 2

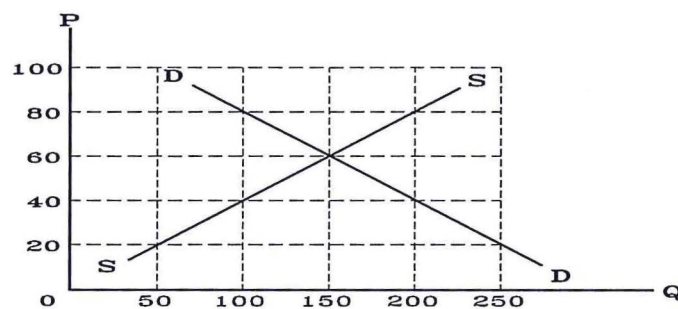


Refer to Figure 2. Choose the correct statement.

- (a) A movement from d to b can be caused by a decrease in the price of Coke.
- (b) A movement from a to b can be caused by an increase in the price of Coke.
- (c) A movement from c to d can be caused by an increase in the number of Coke producing firms.
- (d) A movement from a to b can be caused by an increase in the prices of resources.

Questions 4 and 5 are based on Figure 3.

Figure 3



4. Refer to Figure 3. Choose the correct statement.

- (a) At a price of N\$80 there would be a tendency for prices to rise.
- (b) N\$40 could be a floor price or a minimum price.
- (c) At a price of N\$20, excess demand would exert downward pressure on the price.
- (d) N\$60 is the price at which the quantity of the good demanded in a given time period equals the quantity supplied.

5. Refer to Figure 3. Which of the following statements is not correct?

- (a) At a price of N\$40, excess demand will be greater than at a price of N\$20.
- (b) At a price of N\$80, there will be an excess supply of 100 units.
- (c) At a price of N\$40, the quantity demanded is 200 units.
- (d) At a price of N\$20, the quantity supplied is 50 units.

6. The determinant of demand that does not shift the demand curve is:

- (a) Income.
- (b) Taste.
- (c) The price of the goods itself.
- (d) The prices of other goods.

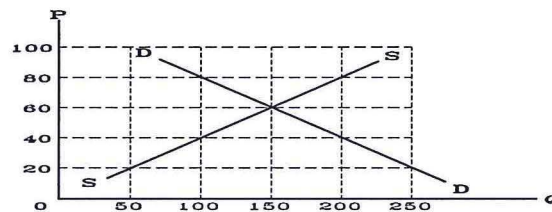
7. Which of the following causes a movement along a demand curve, but not a shift of the demand curve? A change in:

- (a) buyers' expectations.
- (b) the number of buyers.
- (c) the price of other goods.
- (d) the price of the good.

8. Which of the following would most likely cause the demand for Coca-Cola to decrease?

- (a) A reduction in the price of sugar, which is used to make Coca-Cola.
- (b) A decrease in consumer income.
- (c) An increase in the price of Dr. Pepper.
- (d) An increase in the price of Pepsi.

Figure 2



9. Refer to Figure 2. Which of the following statements are correct?

- (i) At a price of N\$40, the quantity demanded is 200 units.
- (ii) At a price of N\$80, there will be excess supply of 100 units.
- (iii) At a price of N\$60, a maximum of 150 units will be sold.
- (iv) At a price of N\$20, the quantity supplied will be 50 units.
- (v) At a price of N\$20, the excess demand will be greater than at a price of N\$40.

- (a) All the statements.
- (b) Only (iv) and (v)
- (c) (i), (iii) and (v)
- (d) (ii), (iii) and (iv)

10. Which of the following is not a characteristic of a perfectly competitive market?

- (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: TRUE OR FALSE**10 MARKS**

1. Resources are scarce because we live in a world in which humans' wants are infinite but the land, labor, and capital required to satisfy those wants are finite.
2. If all other factors remain constant, when the disposable income of a consumer increases, the percentage of income spent on food decreases.
3. An indifference curve can be defined as a contour line where utility remains constant across all points on the line.
4. This is not a normative statement...."At present, unemployment is a more serious problem than inflation".
5. The aim of "Green Revolution" is to increasing yields by using new crop cultivars ,irrigation, fertilizer, pesticides and mechanization.
6. Operational capital or credit refers to capital used purchase inputs that are consumed in the production process e.g. seeds, fertilizer, etc.
7. Owners of a Cooperative are not patrons and don't control and own the entity but are only investors.
8. Marginal utility is the satisfaction one gets from the consumption of one additional unit of a product.
9. Independent local associations usually often join other large cooperatives to conduct mass marketing, purchasing or manufacturing operations.
10. Green revolution does not lead to reduced cost of production because farmers become more efficient.

SECTION C**[40MARKS]****QUESTION 1****[10MARKS]**

Define the following terms;

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

QUESTION 2**[15 MARKS]**

Distinguish the five category of price elasticity of demand, provide an appropriate example for each category.

QUESTION 3**[15 MARKS]**

Identify and discuss the determinants of demand, provide appropriate examples.

SECTION D**40 MARKS****QUESTION 1****[20 MARKS]**

Distinguish between a movement along the curve and the shift of a demand/supply curve, and explain the determinants of each movement.

QUESTION 2**[20 MARKS]**

Use appropriate diagrams to explain the four properties of the indifference curve.