

WOMEN'S UNIVERSITY IN AFRICA



Addressing gender disparity and fostering equity in University Education

FACULTY OF AGRICULTURAL SCIENCES

BSc AGRICULTURE HONOURS DEGREE IN AGRIBUSINESS MANAGEMENT

BSc AGRICULTURE HONOURS DEGREE IN ANIMAL SCIENCE

BSc AGRICULTURE HONOURS DEGREE IN HORTICULTURE

MAIN PAPER

AG121 : AGRICULTURAL ECONOMICS

INTAKE : FIRST YEAR SECOND SEMESTER

DATE : JANUARY 2021 TIME: 3HOURS

INSTRUCTIONS TO CANDIDATES

Answer any four questions

Question 1

- a. At one instance, the price of cabbages rose from \$10.00 to \$15.00 while the quantity demanded for good cabbages fell from 25000 units to 10000 cabbages. Calculate the elasticity of demand and explain what the results mean. [5]
- b. Discuss with the aid of graphs how the following factors affect the demand of maize meal
 - i. increase in consumer’s income [5]
 - ii. increase in the price of rice [5]
 - iii. government policy of subsidizing the production of maize meal [5]
 - iv. Increase in the number of maize selling outlets [5]

Question 2

- a. Copy and complete the table below by calculating the average physical product (APP) and the Marginal Physical Product (MPP). [10]

Input	Total Physical Product	Average Physical Product	Marginal Physical Product
2	4		
4	10		
6	18		
8	20		
12	24		

- b. using a well labelled diagram, indicate and explain the three stages of production [15]

Question 3

Discuss with the aid of diagrams the effects, to society, of a government of setting floor prices and the ceiling prices of any named agribusiness products. [25]

Question 4

- a. Using examples in agribusiness differentiate between pure competition and pure monopoly. [10]
- b. Describe the functions of money. [9]
- c. Discuss the functions of a government budget [6]

Question 5

- a. Briefly describe the characteristics of the four factors of production in relation to agribusiness. [10]
- b. Distinguish with examples the variable costs and a fixed costs of an agribusiness firm. [6]
- c. Discuss the major causes of inflation in Zimbabwe [9]

Question 6

- a. Critically examine the Government of Zimbabwe's response to the Covid-19 pandemic in terms of keeping the economy working. [12]
- b. Discuss the rationale behind the government's involvement in the working of a free market economy with specific reference to the agricultural sector. [13]

End of question paper