

WOMEN'S UNIVERSITY IN AFRICA



Addressing gender disparity and fostering equity in University Education

FACULTY OF MANAGEMENT AND ENTREPRENEURIAL SCIENCES

**BSc HONOURS DEGREE IN MANAGEMENT AND ENTREPRENEURIAL
DEVELOPMENT STUDIES SPECIALISING IN MANAGEMENT & MARKETING**

**BSc HONOURS DEGREE IN MANAGEMENT AND ENTREPRENEURIAL
DEVELOPMENT STUDIES SPECIALISING IN BANKING & FINANCE**

BACHELOR OF ACCOUNTING SCIENCE HONOURS DEGREE

BSc HONOURS DEGREE IN HUMAN RESOURCE MANAGEMENT

BSc HONOURS DEGREE IN PURCHASING & SUPPLY CHAIN MANAGEMENT

MAIN PAPER

BM112:

ECONOMIC PRINCIPLES

INTAKE 28 & 13:

FIRST YEAR FIRST SEMESTER

DATE:

2021

TIME: 3 HOURS

INSTRUCTIONS TO CANDIDATES

Answer **Question 1** and any other **two**

Question 1

Managing the economy through the Transitional Stabilisation Programme

The Transitional Stabilisation Programme outlines policies, strategies and projects that guide Zimbabwe's social and economic development interventions up to December 2020, simultaneously targeting immediate quick-wins and laying a robust base for economic growth for the period 2021-2030. The Economic growth envisaged during the Programme period will inevitably be driven by the private sector, with Government facilitating a supportive macro-economic and business environment. iv Focus will be on value addition and beneficiation,. The success of the Programme will not depend on Government efforts alone, but on a multi-stakeholder approach. This is critical if we are to overcome and redress the underlying challenges arising from the economy.

Also critical will be the people in the Diaspora, whose participation in economic transformation initiatives goes beyond contribution through remittances and philanthropic work, and is targeted to include skills transfer and involvement in arising domestic investment opportunities. Our Cooperating Partners will also be critical as efforts by my Government to re-engage the world gather momentum, including re-establishment of relations with the international financial community, critical to complementing domestic efforts to mobilise resources and build up development capacity. Most importantly, the need for transparency and accountability by all stakeholders and citizens will be key for the transformation of the economy and realising the aspirations of Vision 2030.

Source; Ministry of Finance 2019

Required to;

- (a) Explain five macro-economic challenges that were focused by the Transitional Stabilisation Programme. [10]
- (b) Explain five function of value addition and beneficiation in Zimbabwe. [10]
- (c) Explain five functions of the private sector in the success of the Transitional Stabilisation Programme. [10]

- (d) Discuss five factors that affected the success of the Transitional Stabilisation Programme. [10]

Question 2

- (a) Discuss the three economic questions to manage the problem of scarcity in an economy. [10]
- (b) Discuss two factors that leads to a leftward shift of the supply curve. [4]
- (c) Examine two uses of national income statistics. [6]

Question 3

- (a) Examine three limitation of a command economic to Zimbabwe. [10]
- (b) Explain three functions of the Central Bank. [10]

Question 4

- (a) Illustrate price and output of firms in perfect competitive market
- i. Marking a loss [5]
 - ii. In the long run [5]
- (b) Discuss three benefits of oligopolies in an economy like Zimbabwe [10]

Question 5

- (a) Discuss three ways in which Zimbabwe can benefit from international trade. [10]
- (b) Indicate two policies that can be used to protect its local manufacturing firms. [10]

Question 6

Illustrate the effects of the following on equilibrium quantity demanded, supplied and price

- (a) A decrease in population; [5]
- (b) An increase in income tax; [5]
- (c) Discovery of new sources of raw materials and [5]
- (d) Purchase of new technology [5]

END