



**Second SEM 2018/2019**

**UNIVERSITY OF ESWATINI**

**FINAL EXAMINATION PAPER**

**PROGRAMME: BSc IN AGRICULTURAL ECONOMICS AND MANAGEMENT**

**COURSE CODE: AEM 402**

**TITLE OF PAPER: INTERNATIONAL AGRICULTURAL TRADE AND FOOD  
POLICY**

**TIME ALLOWED: TWO**

**INSTRUCTION**

- 1. ANSWER ALL QUESTIONS**
- 2. EACH QUESTION CARRIES TWENTY (25) POINTS**

**DO NOT OPEN THIS PAPER UNTIL PERMISSION HAS BEEN GRANTED BY THE  
CHIEF INVIGILATOR**

**QUESTION 1**

- a) What is Agricultural and Food Policy? [ 6 MARKS ]
- b) Agricultural and Food Policy changes steadily over time. What are today's major forces for policy change?. [ 3 MARKS ]
- c) Name and briefly explain two types of market failure in the agricultural and food industry . In your discussion you must mention policy interventions to correct the market failure . [ 10 MARKS ]
- d) When do we call an allocation in consumption and production as Pareto Efficient?. You must use mathematical derivation to explain the concept. [ 6 MARKS ]

**QUESTION 2**

- a) What is implementation failure? and what are the reasons for policy failure? [ 10 MARKS ]
- b) Policy analysis consists of tracing through the consequences of government interventions in a market, or series of linked markets, to determine the price and quantity changes induced by the policy intervention, and the welfare effects of these changes. The government of Eswatini is currently providing fertilizers subsidy to maize farmers. Advise the Minister of Agriculture on the consequences of introducing this policy instrument. [ 15 MARKS ]

**QUESTION 3**

The principle of trade is that trade can make everyone better off." However, there is strong opposition to trade.

- a. List and discuss three arguments advanced by governments to restrict trade. [15 MARKS]
- b. Suppose you are a trade Economic Advisor for the Minister of Commerce, how would advise the Minister on these arguments [10 MARKS ]



**QUESTION 4**

International trade has been identified as one of the economic drivers by the Government of Eswatini. Suppose you are a trade economist based in the Ministry of Agriculture.

Prepare briefing notes (not more than one page) for the newly appointed Minister of agriculture on the types of trade arrangement that Swaziland is currently participating and why Eswatini should trade with other countries [ 25 MARKS ]