

DEPARTMENT OF JOURNALISM AND MASS COMMUNICATION

SECOND SEMESTER, 2017/2018

EXAMINATION QUESTION PAPER: **MAIN**

TITLE OF PAPER: **FUNDAMENTALS OF ECONOMICS FOR
JOURNALISTS**

COURSE CODE: **JMC218**

TIME ALLOWED: **TWO (2) HOURS**

INSTRUCTIONS: 1. Answer **THREE (3)** questions.
 2. Write **legibly**, that is, **boldly** and **clearly**.
 3. Evince the principles of **composition** and **grammar**.

THIS PAPER SHOULD NOT BE OPENED UNTIL PERMISSION HAS BEEN GRANTED
BY THE INVIGILATOR.

Answer THREE questions. Question 1 is COMPULSORY and carries 40 marks.
Other questions carry 30 marks each.

1. Journalists study economics in order to gain substantive knowledge that can enrich or enhance the performance of the fundamental functions of their profession, not to become economic experts; and the substance of economics invariably revolves around three basic questions, which must be answered in the light of "the key economic problem."
 - (i) **Specify** the key economic problem and **explain** it. (5 marks)
 - (ii) **State** the three basic questions of economics; then **clarify** what each entails. (15 marks)
 - (iii) **Describe** the fundamental functions of journalism and **discuss** how the knowledge of economics can enrich or enhance the performance of these functions. (20 marks)

2. Answer **A** or **B**.
 - A: Illustrate** and **describe** the *circular flow model* and **discuss** how it summarises the primary roles played by the major actors in an economy.
 - B: Read** the article in the Attachment, which is titled, HAS GOVT NO MERCY? Then, do the following.
 - (i) **State** the function of journalism which the article is about. (2 marks)
 - (ii) **Summarise** the article in not less than 100 words. (13 marks)
 - (iii) **Assess** the article with regard to at least TWO named principles of journalism/journalistic writing. (10 marks)

3. Societies have economic goals which are categorised into *basic* and *quasi*; you cannot go through any newspaper any day without encountering one of these goals or the other. **Identify** and **analyse** the *basic* economic and the *quasi* economic goals of society.

4. Answer **A** or **B**.
 - A: Differentiate** *economic growth* from *economic development*; then **analyse** economic development, that is, break it down into its various aspects or according its various indices.
 - B: Define** *economic development*; then discuss the status of Swaziland in terms of the indices used to measure a nation's economic development.

5. **Identify** and **examine** economic systems; then **comment** on that of Swaziland.

6. Write **concise** notes on FIVE the following.
 - (i) The National Budget
 - (ii) International trade
 - (iii) Economic schools of thought
 - (iv) The economics of Vision 2022

- (vi) Types of tax and taxation systems
- (vii) Monetary and Fiscal Policy
- (viii) Money and Merchandise

Comments & Analysis

HAS GOVT GOT NO MERCY?

ATTACHMENT



**THABISO
DLAMINI**

**Deep into the
G-wallet**

If you haven't been paying attention, everyone is up in arms denouncing government's 'umhlolo' budget. The problem with this 2018/19 budget is that it is hell-bent on making life very difficult by taxing every movement of the ordinary Swazi in a bid to increase government revenue to E16.7 billion.

One of the abhorrent revenue generating policies to be implemented by government this year is the value added tax (VAT) on electricity on top of increasing the VAT standard rate from 14 per cent to 15 per cent to align the country with the mighty next door neighbour, South Africa. With the E16.7 billion that government wants to cash in on this year will definitely see many of our wallets run dry, and still government will be running on a E21.6 billion total expenditure translating to a E4.9 billion deficit. However, though the deficit is important, it is not the point I want to make today. Government can easily issue debt bonds in the money markets, among other domestic and international debt management measures, to address the revenue shortfall.

What is really the point of contention with the 2018/19 budget is that most of the people in Swaziland will find themselves with less money in their pockets owing to a government that keeps taxing and taxing every bit of our daily lives

to fund things that are of no use to the average Swazi. The amount of disposable income for the average Swazi will definitely diminish yet the economy is predominantly driven by consumer spending. For example, in the USA, consumer spending accounts for about 70 per cent of all economic growth in that country.

The point is very simple here: if people have less money in their pockets, who will buy from the shops and businesses that we so want to revive in our economy? If it is going to be a struggle to afford the basics of life such as electricity, and if all goods and services in the country are going to incur a VAT spike, that is, a one per cent price increase, then disposable personal incomes will decrease, the ratio of household debt to our gross domestic product (GDP) will increase and shrink economic activities because we simply will not afford to buy or do anything in Swaziland.

It would be a different story if government was taxing us to give us food, to guarantee tertiary education for every high school graduate, and to provide a state of art health care system in Swaziland. Instead, well over half of the revenue generated (upwards of E7 billion) goes into financing the civil service wage bill. Basically, government collects a lot of money from struggling Swazis, half of which goes to pay civil servants who do not really add any value to the economy. If you are not convinced with this point, just think about how long it takes to get a personal identification number in Swaziland? How long does it take to see a doctor in our government hospitals? The point of having a government is so that it can intervene in the economy to produce a rapid but steady rise in the volume of goods and services produced from year to year while raising the

If we do not have money, who will afford to use the newly built international airport at Sikhuphe? Who will be using the five-star hotel in Swaziland if most Swazis have no money to spare? Most of the time, it is government officials, the one per cent of our country, that takes off and lands at the newly-built Sikhuphe airport while a majority of Swazis opt for kombi shuttles to Johannesburg, thanks to the very expensive air-travel services in Swaziland.

The way government is going about squeezing every cent from the ordinary Swazi's wallet, the majority of Swazis can just forget about ever enjoying the amenities of the five-star hotel in Ezulwini. No, in fact flying and the five-star hotels are luxuries meant for tourists and the cream of our society. For the basics such as affording a house or rent, the Swaziland National Housing Board is also making sure that middle-income Swazis can forget about 15 per cent of their disposable incomes as SNHB has effected a 15 per cent hike on rent at Mobeni flats. What kind of precedence is this government institution (parastatal) setting for other landlords in the country? What's the SNHB got to do with the national budget and government spending, you may be wondering? It is all related; if all the social institutions like SNHB, Swaziland Electricity Company, and Swaziland Water Services Corporation, among others, do not receive their fair share from the g-wallet, they in turn start squeezing consumers' wallets.

Government cannot keep taxing us to infinity because it affects our ability and motivation to wake up every morning and go to work. It affects our ability to save and invest, and it affects the healthy hustle and bustle of the economy. If there is no money, we all suffer, government included.