

BINDURA UNIVERSITY OF SCIENCE EDUCATION
FACULTY OF AGRICULTURE AND ENVIRONMENTAL SCIENCE

AGM 106

Department of Agricultural Economics, Education and Extension
BSc Agricultural Economics and Management (Honours) Part I Examination
Macroeconomics for Agriculture

3 HOURS (100 Marks)

JUN 2023

INSTRUCTIONS

Answer any **FOUR** questions. Each question carries **25 marks**.

1. Explain the following:
 - i. Labour force participation rate [5 marks]
 - ii. Consumer Price Index [5 marks]
 - iii. Real wage [5 marks]
 - iv. Inflationary gap [5 marks]
 - v. Frictional unemployment rate [5 marks]
2. Discuss policies that can be used to reduce budget deficit. [25 marks]
3. Economists have been arguing that as of late, Zimbabwe has been going through a recession period. Discuss this assertion. [25 marks]
4. Discuss the economic cost of unemployment. [25 marks]
5. (a) Explain the assumptions of the quantity theory of money. [13 marks]
(b) Discuss the implications of dollarization in economic development. [12 marks]

6. (a) Explain reasons for the inverse relationship between Real GDP and unemployment rate.

[13 marks]

(b) Describe ways that may lead to crowding out.

[12 marks]

End of Paper