

**BINDURA UNIVERSITY OF SCIENCE EDUCATION**  
**FACULTY OF AGRICULTURE AND ENVIRONMENTAL SCIENCE**

AG 402

Department of Agricultural Economics, Education and Extension  
BSc Agriculture Part IV Examination  
Agricultural Policy

3 HOURS (100 Marks)

**INSTRUCTIONS**

JUN 2023

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

1. Explain the following terms:
  - i. Compensating Variations; [5 marks]
  - ii. Equivalent Variations; [5 marks]
  - iii. Reference Price; [5 marks]
  - iv. Nominal Protection Coefficient; [5 marks]
  - v. Domestic Resource Cost [5 marks]

2. The table below shows the policy analysis matrix for maize:

	Revenue	Tradable	Cost of non-tradable			Profit
		Inputs	Labour	Capital	Land	
Private prices	7 230	966	1 680	402	1990	
Social prices	5 784	1 021	1 680	462	1609	
Divergences						

- (a) Complete the table on Policy Analysis Matrix for maize above. [7 marks]
- (b) Calculate the following:
  - i. Private cost ratio. [2 marks]
  - ii. Domestic resource cost ratio. [2 marks]
  - iii. Nominal protection coefficient. [2 marks]
  - iv. Effective protection coefficient. [2 marks]
  - v. Profitability coefficient. [2 marks]
  - vi. Subsidy ratio to producers. [2 marks]
- (c) Comment on the value of output transfer. [6 marks]

3. Discuss the roles played by Lobby groups during policy formulation process. **[25 marks]**
  
4. (a) Discuss the implications of the Zimbabwe Fast Track Land Reform Programme to the development of the agricultural sector. **[15 marks]**  
  
(b) Explain why the government may opt for the top down approach during the policy making process. **[10 marks]**
  
5. Discuss the guiding principles of the National Agricultural Policy Framework. **[25 marks]**
  
6. (a) Describe the policy making process. **[15 marks]**  
(b) Explain the main objectives of policy analysis. **[10 marks]**

**End of Paper**