BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF AGRICULTURE AND ENVIRONMENTAL SCIENCE

AG101/NR105

Department of Agricultural Economics, Education and Extension
BSc Agricultural Science Part I Examination

Introductory Economics
3 HOURS (100 Marks)

OCT 2023

1. Define the following terms:
   i. Substitution effect **[4 Marks]**
   ii. Engel's Law **[3 Marks]**
   iii. Individual demand curve **[3 Marks]**
   iv. Compensated demand curve **[3 Marks]**
   v. Giffen good **[3 Marks]**
   vi. Budget constraint **[3 Marks]**
   vii. Cost minimization **[3 Marks]**
   viii. Production function **[3 Marks]**

2. (a) What is the difference between normative and positive statements in the context of economics or philosophy **[10 Marks]**

   b. Discuss any 3 axioms of rational choice. **[15 Marks]**

3. (a). Explain any five impacts of climate change on the agricultural production.
   [25 Marks]

4. (a) Describe any two market systems. **[10 Marks]**
   (b) Explain any five sources of monopoly power. **[15 Marks]**

5. (a) Differentiate between demand functions and demand curves **[5 Marks]**
   (b) Using relevant examples highlight shifts in the demand curve **[20 Marks]**

6. Explain the factors that affect the demand of an agricultural commodity.
   [25 Marks]