# ZIMBABWE EZEKIEL GUTI UNIVERSITY

## COLLEGE OF LIFELONG LEARNING

## EXAMINATION PAPER

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|---|---|---|
| **MODULE CODE** | : | DPCE112 |
| **MODULE TITLE** | : | PRINCIPLES OF AGRICULTURAL ECONOMICS |
| **DURATION** | : | 2 Hours |
| **LEVEL** | : | 1.1 |
| **DATE** | : | |

09 JUN 2026

**INSTRUCTIONS TO CANDIDATES:**

1. No cell phones are allowed in the examination venue.
2. Use of silent, non-programmable calculators is allowed
3. Answer any **three** questions.
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in brackets [ ]
6. Show all workings, where applicable.

**Question 1**

Land allocated:

- Maize = 2 hectares
- Beans = 3 hectares

Returns: Maize = $400/ha, Beans = $300/ha

a) Calculate total revenue from each crop. **[4 marks]**
b) Compare profitability. **[4 marks]**
c) Recommend allocation decision. **[4 marks]**
d) Evaluate trade-offs between productivity and sustainability. **[8 marks]**

**Question 2**

a) Explain how consumers allocate income between food and non-food items using utility theory. **[4 marks]**
b) Explain criticisms of utility theory. **[4 marks]**
c) Discuss the role of preferences in determining demand. **[5 marks]**
d) Evaluate the relevance of consumer theory in understanding rural household consumption. **[7 marks]**

**Question 3**

a) Compare perfect competition and monopoly in agricultural markets. **[3 marks]**
b) Analyse how market structure affects farmer income. **[5 marks]**
c) Discuss barriers to entry in agricultural markets. **[5 marks]**
d) Discuss the major constraints to agricultural development in rural economies. **[7 marks]**

**Question 4**

The demand and supply functions for tomatoes are:

$$Q_d = 120 - 4P, Q_s = 20 + 2P$$

a) Calculate the equilibrium price and quantity. **[ 5 marks]**
b) If the government sets a price of $10, determine:
   i. Quantity demanded **[2 marks]**

ii. Quantity supplied **[2 marks]**

iii. The extent of shortage or surplus **[3 marks]**

iv. Interpret your results in the context of agricultural markets. **[8 marks]**

***--- The End ---***

***---Asanteni---***

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