

**NATIONAL UNIVERSITY OF LESOTHO**

**FACULTY OF AGRICULTURE**

**AEC 4308 AGRICULTURAL POLICY**

**SUPPLEMENTARY EXAMINATIONS**

**AUGUST ,2023**

**TIME:3 HOURS**

**MARKS:100**

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**INSTRCTIONS: ANSWER ALL QUESTIONS**

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### **QUESTION 1**

Discuss some of the state failures that are prevalent in less developed countries. (25)

### **QUESTION 2**

- a. Explain the effect of a food subsidy policy on welfare and resource transfers. Use diagrams to illustrate your answer. (15)
- b. Farmers are encouraged to buy new seed variety for their production. What are the effects of this technology on producer surplus? Use diagrams to explain your answer. (10)

### **QUESTION 3**

- a. Discuss the different instruments that are used in price policy in both developed and developing countries. (10)
- b. What criteria are used to determine price levels in the agricultural sector (15)

### **QUESTION 4**

- a. Discuss any two instruments of marketing policy? (10)
- b. What is the policy analysis matrix and what are the components of this matrix? (15)

