

NATIONAL UNIVERSITY OF LESOTHO

FACULTY OF AGRICULTURE

BSC AGRICULTURE EXAMINATIONS

AEC 4308 AGRICULTURAL POLICY

MAY 2023

MARKS: 100

TIME: 3 HOURS

Instructions: Answer **all four** questions

QUESTION 1

- a. Explain the effect of lifting a ban on importation of maize on welfare and resource transfers.
Use diagrams to illustrate your answer. (15)
- b. Taxation as an instrument of policy is used by many governments; what is the importance of a tax? Use a diagram to show the effects of an export tax. (10)

QUESTION 2

- a. What are some of the instruments of price policy used in developing countries? (5)
- b. What criteria are used to determine farm prices? Discuss. (20)

QUESTION 3

What are the components of the policy analysis matrix? Explain each. (25)

QUESTION 4

Explain the effect of a food subsidy on welfare and resources transfers. Use diagrams to illustrate your answer (25)