

**National University of Lesotho**  
**MSc Examinations**

**EC 6309: Policy Analysis and Economic Management**

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January 2024

100 marks

3 Hours

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**Instruction:**

**Answer ALL four questions**

## Question 1

Consider two approaches for assessing household living standards and well-being.

The first involves selecting a random sample of households within a region and using long, detailed questionnaires to elicit comprehensive information about income, consumption, and living standards more generally.

The second involves a very short questionnaire that is administered to every household in a community, which includes only questions that are easy to answer and may be used to construct simple indices of households' living standards (e.g., questions about how many rooms respondents' homes have and whether the household head is literate).

- (a). For what purposes is each method best suited? (*Hint: Purposes might include, among others, identification of regions, academic research on poverty, etc.*) [15]
- (b). How could analysis of the results of the first approach be used to give practical guidance regarding the design of the second approach? [10]

## Question 2

Suppose we know that a policy did not produce any change in a household's real per capita consumption expenditure. List five ways the policy might nonetheless have improved the household's well-being. That is, suggest five stories regarding how the household's circumstances might have changed, and how the household responded to those changes, that are consistent with the household's well-being rising even while its per capita consumption expenditure remains constant. [25]

## Question 3

A policy is usually explained as any project or program offering new opportunities to, or imposing new constraints on different groups, in different directions, and to differing degrees. Various authors have developed number of stages for designing or making a policy. These stages usually vary between five and seven. But many policies established and carried out by governments usually go through seven stages from inception to conclusion. Using the poultry sector as an example, discuss the seven stages in the policy-making process. [25]

### **Question 4**

Compare and contrast the following concepts:

(a). Efficiency versus Equity

**[15 Marks]**

(b). Inequality of Outcome versus Inequality of Opportunities

**[10 Marks]**