QUESTION 1

Complete the following statements by providing appropriate answers.

1.1 High rates of mortality and morbidity are essentially the result of inadequate food intake. Quantities consumed are a function of;
   i) ___________________________ ii) ___________________________

1.2 The rate of growth in the agricultural labour force of a Less Developed Country (LDC) is dependent upon the following factors;
   i) ___________________________
   ii) ___________________________
   iii) ___________________________

1.3 The objectives of development have been stated to include the following;
   i) ___________________________
   ii) ___________________________
   iii) ___________________________ iv) ___________________________

1.4 Agriculture contribution to economic growth of LDCs in the following ways;
   i) ___________________________
   ii) ___________________________
   iii) ___________________________
   iv) ___________________________

1.5 Usufruct rights produce a stream of benefits to rural households, these benefits include;
   i) ___________________________
   ii) ___________________________
   iii) ___________________________
1.6 Marx viewed development as occurring in four stages, these are;

i) _________ → ii) _________ → iii) _________ → iv) _________

[20]

QUESTION 2

State whether the following statements are TRUE or FALSE, give reasons to justify your answers.

2.1 Rapid urban growth is a characteristic of economic development. (3)

2.2 As industrialisation and urbanisation proceed in a LDC, the rate of increase in the urban demand for food tends to exceed the rate of growth in urban employment. (3)

2.3 Arable land is often under-utilized in the communal regions of Southern Africa because most rural households find it cheaper to buy food with wages earned off the farm. (4)

2.4 Rural households in the communal regions of southern Africa have a strong incentive to retain their rights to agricultural land even if the household members are not farmers. (4)

2.5 Low’s model explains why arable land is underutilized in developing regions of Southern Africa. (3)

2.6 The Barnum-squire model is particularly relevant in Southern Africa because a large proportion of the population is made up of small farm households. (3)

2.7 The diversion of cheap institutional credit to larger farmers is aggravated by lack of reliable information about borrowers. (3)

2.8 A farmer will adopt technology if it yields a higher expected net income than his present technique. (3)

2.9 Virtually all markets transactions occur between family relatives or close friends in regions where there is legal uncertainty. (3)

2.10 Exclusive land rights will emerge in response to profitable technology because farmers want to internalize the full benefit of their investment. (4)

2.11 Transaction costs tend to be low when tenure is secured. (4)
2.12 The economic problems associated with open access to communal grazing land could, in theory, be solved by applying cattle taxes and quotas. (3)

**QUESTION 3**

Critically discuss the Jorgenson model of economic development. [15]

**QUESTION 4**

4.1 Explain why the rental market for cropland is not efficient in the communal areas of South Africa and what impact this has on crop production. (7½)

4.2 High rates of population growth in rural areas inhibit development. Explain how education could help reduce family sizes in rural areas. (7½)

**QUESTION 5**

Which of the following *four* policies is likely to have the greatest impact on promoting food production and household welfare in former KwaZulu homelands? Explain why others would not. Give reasons to justify your answers.

i. An increase in the price of maize
ii. A tax on tribal land
iii. Public investment in research for high yielding maize varieties
iv. Public investment in the institutions required to sustain an efficient rental market in crop land. [10]