



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ECONOMICS

SECOND YEAR SPECIAL/SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF ECONOMICS AND STATISTICS

BACHELOR OF ECONOMICS

BACHELOR OF ARTS

EAE 204: DEVELOPMENT ECONOMICS

DATE: 22/1/2021

TIME: 2.00-4.00 PM

INSTRUCTIONS:

Answer Question ONE and any other TWO questions

QUESTION ONE (30 MARKS)

- a) Explain the basic features of objectives in economic development; (5 marks)
- b) Discuss the linkages between agricultural sector and industrial sector giving examples in kenya ? (5 marks)
- c) Discuss the positive contribution of high population in economic growth (5 marks)
- d) Explain the importance of international trade in economic development (5 marks)
- e) Describe briefly the characteristics of each of the stages of Rostons stages theory (10 marks)

QUESTION TWO (20 MARKS)

- a) Discuss the concept of viscous circle as used in economic development (5 marks)
- b) Discuss the following terms and how are related to international trade policy
 - i. Terms of trade (3 marks)
 - ii. Structural adjustment program (SAPS) (3 marks)
 - iii. Comparative advantage (3 marks)

- iv. Dualistic economy (3 marks)
- c) Discuss any three indicator of developments in a country (3 marks)
 - i. GDP per capita
 - ii. GDP growth rate
 - iii. Health facilities etc

QUESTION THREE (20 MARKS)

- a) Discuss the role taken by culture and politics in economic development in Kenya (6 marks)
- b) Explain the factors considered by policy makers to strategizing for industrializing a country (6 marks)
- c) Discuss the debate that population is bad and good for economic development (8 marks)

QUESTION FOUR (20 MARKS)

- a) There are number of factor that are responsible for increasing population growth rate (5 marks)
- b) Discuss the reasons why developing countries do not realize the full benefits in foreign trade. (5 marks)
- c) Discuss the characteristics of less developed countries. (6 marks)
- d) Briefly discuss in your own understanding why Kenya still developing unlike the Asian tigers which are much developed (4 marks)

QUESTION FIVE (20 MARKS)

- a) Explain the Harrod- model and show how this theory describes acceleration in economic development. (6 marks)
- b) Discuss the ways by which multinational companies transfers technology (6 marks)
- c) Explain the Main changes a country is likely to experience when countries are undergoing the economic transformation (5 marks)
- d) Briefly explain why a could would opt to adopt Import substitution strategy for industrialization (3 marks)