



MACHAKOS UNIVERSITY COLLEGE

(A Constituent College of Kenyatta University)
University Examinations for 2015/2016

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ECONOMICS

FIRST SEMESTER EXAMINATION FOR DEGREE IN BACHELOR OF ECONOMICS
AND FINANCE

EAE 204: ECONOMIC DEVELOPMENT I

DATE: 8/8/2016

TIME: 8:30 – 10:30 AM

INSTRUCTIONS:

Answer question ONE and any other two question

QUESTION ONE

- Describe how international trade hinder economic growth and development in Africa
(10 marks)
- Explain characteristics of less developed countries with Africa context. (10 marks)
- There are usually two main proponents for high population growth as being a problem or not.
Discuss key issues raised by them. (10 marks)

QUESTION TWO

- When a country undergoes economic transformation, several institutional changes take place.
Discuss the main changes that takes place (10 marks)
- 'A country may experience growth but not development'. Do you agree with this statement,
explain your answer (10 marks)

QUESTION THREE

- a) Briefly explain factors that restrict flow of foreign investments in developing economies (10 marks)
- b) Discuss Rostow theory of development while highlighting its limitations. (10 marks)

QUESTION FOUR

- a) State and explain the main economic development indicators in Africa context (10 marks)
- b) Describe briefly ways in which Multinational Corporations transfer technology to developing countries (10 marks)

QUESTION FIVE

- a) Discuss how corruption affects economic development in the less developed countries (10 marks)
- b) Discuss Harrod-Domar theory of development (10 marks)