



# **MACHAKOS UNIVERSITY**

**University Examinations 2018/2019**

**SCHOOL OF BUSINESS AND ECONOMICS**

**DEPARTMENT OF BUSINESS ADMINISTRATION**

**FIRST YEAR SECOND SEMESTER EXAMINATION FOR**

**DIPLOMA IN SOCIAL AND COMMUNITY DEVELOPMENT**

**2428/102/DE: DEVELOPMENT ECONOMICS**

**DATE: 16/4/2019**

**TIME: 8.30-10.30 AM**

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## **INSTRUCTIONS**

**ANSWER ALL QUESTIONS**

### **QUESTION ONE (20 MARKS)**

- a) Explain the notion of vicious circle of poverty as a theory of underdevelopment. (10 marks)
- b) Explain the characteristics of developing countries. (10 marks)

### **QUESTION TWO (20 MARKS)**

- a) Differentiate between employment and unemployment. Explain five types of unemployment (12 marks)
- b) Identify and explain four policy measures aimed at addressing the unemployment problem in Kenya. (8 marks)

### **QUESTION THREE (20 MARKS)**

- a) Explain the implications of a rapid population growth on economic development. (10 marks)
- b) Differentiate between poverty and standard of living. Identify and explain the factors that will determine country's level of national income as a measure of standard of living. (10 marks)

**QUESTION FOUR (20 MARKS)**

- a) Explain the applications and limitations of Malthusian theory of population to developing countries. (10 marks)
- b) Suggest policy measures the government of Kenya to alleviate the recurrent problem of famine as a result of adverse weather conditions. (10 marks)

**QUESTION FIVE (20 MARKS)**

Describe Rostow's stage theory of development. Explain its practicability to developing countries (20 marks)