



MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ECONOMICS

SECOND YEAR SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF ECONOMICS & FINANCE

BACHELOR OF ECONOMICS & STATISTICS

BACHELOR OF ECONOMICS

EAE 204: DEVELOPMENT ECONOMICS

DATE: 26/9/2019

TIME: 2.00-4.00 PM

INSTRUCTIONS

Answer question one and any other two questions. Question one carries 30 marks and the other questions carry 20 marks each.

QUESTION ONE

- a) Discuss any five strategies that should be adopted to reduce population in Kenya's urban areas (10 marks)
- b) Discuss what "Vicious circles of Poverty" means in the understanding of theories of growth (10 marks)
- c) GDP per capita is not the best measure of growth discuss (10 marks)

QUESTION TWO

- a) Discuss some causes of high poverty levels in Kenya and other developing countries (12 marks)
- b) Briefly discuss the role of international trade in economic development (8 marks)

QUESTION THREE

- a) Discuss Rostov theory of growth while highlighting its shortcomings (10 marks)
- b) A substantial percentage of Kenyan live below the poverty line. Explain four strategies that can be adopted to eradicate this state of affairs (10 marks)

QUESTION FOUR

- a) An economy can grow without developing. But an economy cannot develop without growing. Discuss this statement in detail. (10 marks)
- b) Briefly discuss the basic needs strategy of national development and clearly highlight its main features and challenges in its operationalization. (10 marks)

QUESTION FIVE

- a) Developing countries face many hurdles in their quest to develop. Briefly discuss any four such challenges (12 marks)
- b) Outline and briefly explain any four tools of Keynesian theory of economic development (8 marks)