



COLLEGE OF BUSINESS, PEACE, LEADERSHIP & GOVERNANCE

NMEC 403: DEVELOPMENT ECONOMICS

END OF FIRST SEMESTER EXAMINATION

NOVEMBER 2022

LECTURER: TALKMORE GEZANA

TIME: 3 HOURS

INSTRUCTIONS

Answer **ALL** questions in **Section A** and **ANY TWO** questions in **Section B**.

Start each question on a new page in your answer booklet.

The marks allocated to each question are shown at the end of the question.

Please make sure you clearly understand the demands of each question before answering.

You are compelled to discuss, as a Development Economics student. Application of economic concepts shall be rewarded.

Clearly number your work. Credit will be awarded for logical, systematic and neat work.

Section A: ANSWER ALL QUESTIONS

1. Define development **(5 marks).**
2. Using the Harrod-Domar model of economic growth, explain how population growth and technical regress affect the development prospects of an economy. **(8 marks).**
3. Distinguish between poverty and income inequality. **(4 marks).**
4. What are the variables of the Solow Economic Growth Model? Explain the relevance of each variable in economic development. **(8 marks).**
5. What is the role of institutions in Economic growth and development? **(5 marks).**
6. What is the relevance of the Harris-Todaro Model in economic development of Third World Countries? **(5 marks).**
7. The Gini coefficient, derived from the Lorenz curve, is the widely used measure of income inequality in a society. What is its significance in economic growth and economic development of a economy? **(5 marks).**

Section B: ANSWER ANY TWO QUESTIONS

1. Foreign Aid is indispensable for a developing country. Critically examine this statement with reference to a country of choice. **(20 marks)**
2. The Concept of Resources Mobilization could be a critical aspect of Economic Development Strategies. Explain the concept of Resources Mobilization. What measures do you suggest are necessary for increasing resource mobilization for the economic development in your country of choice? **(20 marks)**
3. How can developing countries escape from the Natural Resource 'Curse' and the Dutch 'Disease'? Give illustrative examples. **(20 marks)**
4. Distinguish between economic growth and economic development. How does each of them depend on the other? Explain with examples? **(20 marks)**
5. Explain the Ricardian theory of economic growth and development. How does Marx use this theory to spell the dynamics of revolution? **(20 marks)**

END OF EXAMINATION
