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FACULTY OF SOCIAL AND MANAGEMENT SCIENCES
DEPARTMENT OF ECONOMICS
2010/2011 RAIN SEMESTER EXAMINATION

COURSE CODE/TITLE: ECO306/ ECONOMIC DEVELOPMENT THEORY

- INSTRUCTIONS:
1. Answer all questions in section A and one question each from sections B and C.
 2. Do not write in your question paper

TIME ALLOWED: 2 Hours

SECTION A

Write short notes on the following concepts:

- 1 (a) Capital accumulation (b) Free Market Analysis (c) Complementaries
(d) Drive to maturity and age of high mass consumption (e) Positive assortative matching
(f) Natural rate of growth (g) Lorenz curve (h) New Political Economy approach

(i) 'The Centre' and 'the Periphery' (j) Purchasing power parity

SECTION B (Answer only one question from this section)

- 2 (a) Examine the justification for the study of economics of development.
(b) The pattern of development analysis of structural change focuses on the mode of transformation of an economy. Discuss.
(c) Analyze the existence of vicious circles of poverty in the less developed countries.

3 (a) Are welfare indicators good measures of economic development?

(b) Explain any five features of an underdeveloped economy.

(c) Analyze the neo-classical dependence model.

SECTION C (Answer only one question from this section)

4 (a) What is Coordination Failure?

(b) Explain the Big Push theory as it relates to the development process.

(c) Inequality is _____

(d) Choose one measure of poverty and explain briefly.

(5) (a) What is Self Discovery as it relates to development?

(b) Sketch and explain the Hausmann - Rodrik - Velasco (HRV) decision tree. (Hint: the root problem is that of low levels of investment.)

(c) The formal commitment towards global development made by _____ United Nations member countries in the month of _____ Year _____ is expressed as _____

(d) Enumerate the above (c)

Exchange rates between currencies are in equilibrium when the purchasing power is the same in each of the two countries.

Capital accumulation refers to investment a company uses to increase its capital base. In the other hand it is the act of acquiring more assets that can be used to create more wealth or that will appreciate in value.

fighting social security system

The name of the person who was the first to use the term 'development' is Barry Chiswick. The first time it was used was in 1941.