



National Open University of Nigeria
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi- Abuja

Faculty of Social Sciences
Department of Economics

October/November Examination 2016

Course Code: ECO 347
Course Title: Development Economics I
Credit unit: 2
Time Allowed: 2 hours

Instruction: Answer QUESTION ONE (COMPULSORY) and any other two questions

Question:

1a) Given the values below, calculate the GDP deflator for the missing years (2003, 2004 and 2005). (10 marks)

Year	Nominal GDP	Real GDP	GDP Deflator
2003	5,000	5,000	
2004	8,500	7,300	
2005	10,600	8,300	

b) Given that the real GDP in Nigeria for 2012 and 2013 were 10.2 trillion and 11.1 trillion Naira respectively, calculate the growth rate in the economy.(10 marks)

c) List five (5) assumptions of the Harrod-Domar model. (10 marks)

2. A country can experience economic growth without development. Exhaustively explain why this can happen. (20 marks).

3. List and explain 5 environmental problems, faced by LDCs. Also state the causes and effects of these problems.(20 marks)

4. Explain succinctly the theory of Balanced Growth and state at least five (5) of its criticisms.(20 marks)

5. In tabular form, differentiate between economic growth and economic development. (20 marks).