

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

THARAKA UNIVERSITY COLLEGE

**EXAMINATION FOR THE AWARD OF MASTER OF SCIENCE
IN ECONOMICS**

MSEC 802: DEVELOPMENT ECONOMICS

STREAMS: MSC (ECON)

TIME: 3 HOURS

DAY/DATE: WEDNESDAY 07/8/2019

2.30 P.M. – 5.30 P.M.

INSTRUCTIONS: ANSWER ALL QUESTIONS

QUESTION ONE (40 MARKS)

1. The goal of economic development in its simplest form is to create wealth of a nation. Discuss important features that developing countries tend to have in common, on average, in comparison with the developed economies. [10 marks]
2. International trade has often played a central role in historical experience of the developing world. Discuss different basic theories that trade pessimists and optimists tend to focus on [10 marks]
3. The neoclassical counter-revolution is divided into different component approaches. Discuss [10 marks]
4. Discuss international and external factors causing debt crisis in developing countries [10 marks]

QUESTION TWO (20 MARKS)

1. Donor country government give foreign aid to developing countries. Discuss various foreign aid motivations of donor nations. [5 marks]
2. Discuss the critique of traditional free trade theory in the context of developing countries experience [15 marks]

QUESTION THREE (20 MARKS)

1. Explain the following theories of growth [15 marks]
 - (i) Rostows stages of growth
 - (ii) The international dependence models
 - (iii) Theory of coordination failure
 - (iv) Harrod-Domar model
2. Explain clearly the distinction between globalization and economic development [5 marks]

QUESTION FOUR (20 MARKS)

1. In what ways does poverty lead to environmental degradation. Discuss [10 marks]
 2. Explain clearly the main effects of government borrowing to an economy [10 marks]
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