

THARAKA



UNIVERSITY

COLLEGE

(A Constituent College of Chuka University)

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF DEGREE OF
BACHELOR OF ARTS IN ECONOMICS AND STATISTICS**

ECON 101: CONTEMPORARY ECONOMIC ISSUES IN AFRICA

STREAMS: BA (ECON STAT) YIS2

TIME: 2 HOURS

DAY/DATE: TUESDAY 14/04/2020

8.30 AM – 1.30 PM

INSTRUCTIONS:

Answer Question One and any other Two in Section B

QUESTION ONE

- (a) Discuss the various cycle of poverty as an obstacle of economic development in African states clearly discussing its three levels of operation. [10 marks]
 - (b) Investment is defined as the net addition to the capital stock. Clearly discuss the importance of capital formation in economic development. [10 marks]
 - (c) Rapid population growth affects LDC's in relation to world economies in various ways. Discuss. [5 marks]
 - (d) Discuss foreign exchange as a constraint towards economic development in African nations. [5 marks]
2. (a) Differential the following terms as used in economic development. [10 marks]
- (i) Economic growth and economic development [2 marks]
 - (ii) Gross national product and gross domestic product [2 marks]
 - (iii) Basic needs and social indicators [2 marks]

- (iv) Input and output
- (v) Industrialization and urbanization [2 marks]
- (b) Rural urban migration rates in developing countries are said to be very high. Discuss various non-economic reasons people migrate from rural areas to urban areas. [10 marks]
3. (a) The share of industrial sector should rise and that of agriculture sector should go down for development to be witnessed in an economy. Discuss. [8 marks]
- (b) Discuss various objectives of economic development. [5 marks]
- (c) Gross national product (GNP) is one of the various measures of economic development however it has several shortcomings. Discuss any 3 shortcomings. [6 marks]
4. (a) Core values of development represent the common goals that are sought by all individuals and societies. Discuss. [6 marks]
- (b) Discuss the interrelationships between agriculture and industrialization in economic development. [8 marks]
- (c) Discuss various ways in which high population growth promote economic development. [6 marks]
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