

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF
AGRIBUSINESS MANAGEMENT**

AGEC 423: ECONOMICS DEVELOPMENT

STREAMS: AGBM (Y3S2)

TIME: 2 HOURS

DAY/DATE: FRIDAY 13/12/2024

2.30 P.M. – 4.30 P.M.

INSTRUCTIONS

- Answer ALL questions in Section A and any THREE in Section B
- Answer each question on separate pages

SECTION A

QUESTION ONE

- Discuss the Rostow's stages of economic development (10 Marks)
- Discuss the vicious circle of capital deficiency (5 marks)
- Discuss the theory of demographic transition (10 marks)

SECTION B

QUESTION TWO

- Discuss five major characteristics of underdeveloped economies (6 marks)
- Explain the growth retarding factors as postulated by the Malthus theory of growth (9 marks)

QUESTION THREE

- Explain the weaknesses of per capita income as an indicator of economic growth (5 marks)
- Discuss significance of capital formation in economic development (10 marks)

QUESTION FOUR

- a) Explain David Ricardo's theory of growth (5 marks)
- b) Discuss the human poverty index (HPI) as an indicator of the standard of living of a country. (5 marks)
- c) Discuss five reasons why developed countries are concerned with the affairs of underdeveloped countries (5 marks)

QUESTION FIVE

- a) Mathematically express the Harrold Domar model of economic development (5 marks)
- b) Discuss five benefits of economic planning (5 marks)
- c) Discuss five challenges faced by f the developing world in relation to the global food crisis (5 marks)

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