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GABA CAMPUS – ELDORET
MAIN EXAMINATION
SEPTEMBER – DECEMBER 2021 TRIMESTER
SCHOOL OF BUSINESS
BACHELOR OF COMMERCE
DEPARTMENT OF ACCOUNTING AND FINANCE
ECN 412: ECONOMIC DEVELOPMENT

Date: December 2021	Duration: 2 Hours
Instructions: Answer Question ONE and any other TWO Questions	

QUESTION ONE

- i) Explain economic growth and illustrate it using aggregate demand and aggregate supply framework. **(5 marks)**
- ii) Explain the vicious cycle of poverty? **(5 marks)**
- iii) What are the indicators captured in human development index? **(5 marks)**
- iv) Distinguish between economic growth and economic development. **(5 marks)**
- v) What is meant by Capital deepening in economic development theories? **(5 marks)**
- vi) What are the government policies for promoting agricultural productivity? **(5 marks)**

QUESTION TWO

- a) What are the limitations of economic development in less developed countries? **(10 marks)**
- b) Explain the following strategies for economic development adopted by various countries.
 - i) The Backwardness Hypothesis **(5 marks)**
 - ii) Growth and Openness **(5 marks)**
 - iii) State versus Market **(5 marks)**
 - vii) Industrialization versus Agriculture **(5 marks)**

QUESTION THREE

- a) Explain the role of agriculture in economic development in developing countries. **(10 marks)**
- b) What are policies for promoting agriculture in developing countries? **(10 marks)**

QUESTION FOUR

- a) Distinguish between the less developed countries and the developed countries. **(20 marks)**
- b) Explain the following theories of economic of economic growth.
 - i) Harrod-Domar Theory of economic gro **(10 marks)**
 - ii) Neoclassical Theory of economic growth **(10 marks)**

QUESTION FIVE

- a) Explain the indicators of economic development. **(10 marks)**
- b) Explain the ways of overcoming the barriers of the vicious cycle of poverty barriers. **(10 marks)**

END