



THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

A. M. E. C. E. A

MAIN EXAMINATION

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AUGUST - DECEMBER 2018 TRIMESTER

FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING AND FINANCE

O DEL PROGRAMME

CEC 412: ECONOMICS OF DEVELOPMENT

Date: DECEMBER 2018

Duration: 2 Hours

INSTRUCTIONS: Answer Question ONE and ANY OTHER TWO Questions

- Q1. a) List the following
- i) Characteristics of underdeveloped country **(5 marks)**
 - ii) Factors of economic growth **(3 marks)**
 - iii) Environmental problems facing LDCs **(3 marks)**
 - iv) Approaches of measuring income inequality **(2 marks)**
 - v) Basic planning model types **(3 marks)**
- b) Over the past 60 years, economic development process has undergone several changes in approach. Explain the following two approaches to development process that have been used.
- i) Stabilization and structural adjustment approach **(3 marks)**
 - ii) Human development approach **(3 marks)**
- c) Explain briefly the fundamental economic arguments that led to the widespread acceptance of planning as a development tool in LDCs **(8 marks)**
- Q2. a) Distinguish clearly between the terms 'economic factors of economic growth' and 'non-economic factors of economic growth' **(6 marks)**
- b) List the six characteristics of modern economic growth as identified by Kuznets **(6 marks)**

- c) Explain briefly the characteristics of modern economic growth related to 'structural transformation' **(3 marks)**
- d) Explain briefly the employment creation approach to development economics **(5 marks)**
- Q3. a) Explain briefly the key approaches to measuring degree of income inequality **(4 marks)**
- b) List the distinguishing stages identified by Rostows as an approach to the process of economic development **(5 marks)**
- c) State the distinguishing characteristics of economic planning types as practiced in the world economies **(3 marks)**
- d) State the basic types of economic development models as practiced by the LDCs **(3 marks)**
- e) Explain briefly the objectives of sustainable development **(5 marks)**
- Q4. a) Explain briefly the primary economic and institutional arguments for widespread acceptance of planning as a necessary tool for development in LDCs **(6 marks)**
- b) Explain in detail the classical model of economic growth **(8 marks)**
- c) Explain briefly the three approaches for measuring sustainable development **(8 marks)**

END