



UNIVERSITY OF EMBU

2021/2022 ACADEMIC YEAR

SECOND SEMESTER EXAMINATIONS

SECOND YEAR SECOND SEMESTER EXAMINATION FOR THE DEGREE OF
BACHELOR OF ECONOMICS AND STATISTICS

BAE 202: DEVELOPMENT ECONOMICS

DATE: 8 APRIL, 2022

TIME: 8.30-10.30

INSTRUCTIONS:

Answer Question ONE and ANY Other TWO Questions.

QUESTION ONE (30 MARKS)

- a) Explain three general characteristics of the underdeveloped countries. (6 Marks)
- b) Describe the term 'Economic growth' as used in development economics. (6 marks)
- c) Briefly describe the 'Big Push' Theory by Albert Hirschman as applied in development economic. (6 marks)
- d) Explain the main purpose of industrialisation on economic development with regard to Kenya economy. (6 marks)
- e) Outline three benefits and three challenges of private foreign investment in an economy. (6 Marks)

QUESTION TWO (20 MARKS)

- a) Define the term dependency as applies in economic development field. (5 marks)
- b) Analyse the version of dependency theory according to Henrique Cardosos (1995-2005). (15 marks)

QUESTION THREE (20 MARKS)

- a) Describe the term 'Institutions' as used in development economics (8 marks)
- b) Explain why an institution is described as both a blessing and a curse according to Douglass North (1990). (12 marks)



QUESTION FOUR (20 MARKS)

- a). Discuss the theory of Structural change according to Lewis drawing reference to Kenya (12 marks)
- b). Highlight some four main shortcomings of the Lewis theory (8 marks) .

QUESTION FIVE (20 MARKS)

- a) Explain the role of transformative agriculture in the economic growth and development of Kenya today. (8 marks)
- b) Discuss the five stages of economic development according Walt Rostow (12 marks)

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