



*(University of Choice)*

**MASINDE MULIRO UNIVERSITY OF  
SCIENCE AND TECHNOLOGY  
(MMUST)**

**MAIN EXAMINATION**

**UNIVERSITY EXAMINATIONS  
2021/2022 ACADEMIC YEAR**

**FIRST YEAR SECOND SEMESTER EXAMINATIONS**

**FOR THE DEGREE OF MASTER OF SCIENCE IN  
ECONOMICS**

**COURSE CODE: ECO 804/MDS 801**

**COURSE TITLE: DEVELOPMENT ECONOMICS**

**DATE: FRIDAY, TIME:**

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**INSTRUCTIONS TO CANDIDATES**

ATTEMPT QUESTION **ONE** AND ANY OTHER **THREE**

TIME: 3 Hours

MMUST observes ZERO tolerance to examination cheating

This Paper Consists of 3 Printed Pages. Please Turn Over.

### **QUESTION ONE**

- a) Some economists have argued that Gross domestic Product (GDP) as compared Human Development Index (HDI) is good measure of Economic Development. Evaluate the extent this statement is true (14 Marks)
- b) With reference to the Harrod-Domar model, discuss whether increasing the level of saving in a country will lead to greater economic development. (10 Marks)
- c) What factors contribute to high unemployment in developing countries? What effective policies can governments in these countries use to reduce the unemployment rate? (8 Marks)
- d) Foreign Aid and assistance is indispensable for a developing country. Critically examine this statement with reference to Kenya (8 Marks)

### **QUESTION TWO**

- a) To what extent is rapid population growth desirable for a developing economy (8 Marks)
- b) Evaluate the effectiveness of using an Import Substitution Strategy for achieving economic development (8 Marks)
- c) What are the arguments for foreign aid having a positive impact on developing countries? (4 marks)

### **QUESTION THREE**

- a) Describe the features of a market economy (3 marks)
- b) Discuss the view that economic development will be most effectively achieved through a freely operating market economy (7 marks).
- c) Discuss whether having an abundance of resources is a blessing or a curse for a developing country (10 marks).

#### **QUESTION FOUR**

- a) Discuss the advantages and disadvantages of tourism as a development strategy for a country. (8 marks).
- b) Agriculture is a vital development tool for achieving the Millennium Development Goal that calls for halving by 2015 the share of people suffering from extreme poverty and hunger.' (World Development Report, 2008). Critically examine the above statement. You should support your discussion with evidence (12 Marks)

#### **QUESTION FIVE**

- a) Comprehensive discuss the role and contribution of education to Economic Development Kenya (6 Marks)
- b) According to Simon Kuznets, what has been the key element marking the epoch of modern economic growth? (7Marks)
- c) Briefly explain the role and modern trends in healthcare investment that have led to economic growth and development (7 Marks)

#### **QUESTION SIX**

Evidence shows that more accountable governments are more successful in dealing with disasters. True or false? Explain.

- a) Describe the significance of economic, political, historical, geographical, institutional, and environmental factors involved in the development of poor nations. (12 Marks)
- b) Evidence shows that more accountable governments are more successful in dealing with Economic growth factors True or false? Discuss. (8 Marks)

