MASENO UNIVERSITY

UNIVERSITY EXAMINATIONS 2015/2016

FIRST YEAR SECOND SEMESTER EXAMINATIONS FOR THE
DEGREE OF BACHELOR OF ARTS IN DEVELOPMENT STUDIES
WITH INFORMATION TECHNOLOGY

MAIN CAMPUS

DDS 103: DEVELOPMENT ECONOMICS

Date: 19th April, 2016 Time: 2.30 - 4.30 pm

INSTRUCTIONS:

- Answer THREE questions. ATLEAST one question from each section.

DDS 103: DEVELOPMENT ECONOMICS

INSTRUCTIONS: Answer ONE question from each Section.

Section A

1)
   a. Discuss the Solow model of economic growth. [8 marks]
   b. What is its relevance to developing countries?[6 marks]
   c. What are its limitations? [6 marks]

2)
   a. Define "middle income trap". [10 marks]
   b. What are its causes and solutions?[10 marks]

Section B

3)
   a. Using an example, discuss the concept of comparative advantage. [10 marks]
   b. Explain the sources of comparative advantage.[10 marks]

4) Discuss the following functions of financial systems in developing countries:
   a) Consumption smoothing[7 marks]
   b) Bridging savings and investments[6.5 marks]
   c) Screening and monitoring of investments[6.5 marks]

Section C

5) What measures and tools could be used to reduce corruption in developing countries? [20 marks]

6) Using examples, discuss the role of technology in increasing the quality of education in developing countries.[20 marks]