****

MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS**

**2016/2017 ACADEMIC YEAR**

**THIRD YEAR SECOND SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS**

**BACHELOR OF ARTS ECONOMICS**

**COURSE CODE: ECO 320**

**COURSE TITLE:** **COMPARATIVE ECONOMIC**

**SYSTEMS**

**DATE: 11TH JULY, 2017 TIME: 1100 – 1300HRS**

**INSTRUCTIONS TO CANDIDATES**

Answer Question **ONE** and any other **THREE** questions

*This paper consists of* ***THREE***  *printed pages. Please turn over.*

**QUESTION 1**

1. Free market economies stimulate greater economic growth, whereas state-directed economies stifle growth. Discuss (**15mks)**
2. How can the presence or absence of natural resources and arable land affect a nation’s economy, regardless of the type of economic system?      (**10mks)**

**QUESTION 2**

1. How do life expectancy and literacy rates affect the quality of labour in the economy? (**7mks)**
2. Explain how high fertility rates affect the use of scarce resources.       (**8mks)**

**QUESTION 3**

1. Explain the effect of GDP per capita and poverty rates on the standards of living in different economic systems. (**8mks)**
2. Discuss how the size of the industry, service sector and the agricultural employment rate indicate the level of industrialization. (**7mks)**

**QUESTION 4**

1. Discuss the different types of economic efficiency with the optimal production and distribution in the economy. (**8mks)**
2. Considering lack of natural resources, labour problems, lack of capital and little industrialization in developing countries, how can development be achieved in developing countries? (**7mks)**

**QUESTION 5**

1. Are economics systems converging in the face of globalization? Provide theoretical and empirical support for your position. (**8mks)**
2. Discuss the roles of state owned firms in advanced capitalist economies, explaining reasons for their existence and their performance.    (**7mks)**

**//END**