



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2016/2017

**FIRST YEAR SECOND SEMESTER EXAMINATIONS FOR
THE DEGREE OF MASTER OF ARTS IN ECONOMICS**

CITY CAMPUS - WEEKEND

AEC 809: DEVELOPMENT ECONOMICS


Date: 11th December, 2016

Time: 9.00 - 12.00 noon

INSTRUCTIONS:

- Answer question ONE and any other THREE questions.

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Q1. a) Amartya Sen brings out a new definition of economic development using a social perspective of functionings. Discuss. [2 Marks]

Q1. a) Amartya Sen brings out a new definition of economic development using a social perspective of functionings. Discuss. [2 Marks]

b) The Poverty Action initiative is conducting a baseline survey on the status of poverty in Kisumu County.

i) Explain to the team the key measures of absolute poverty.

[4 Marks]

ii) Characterize the Foster-Greer-Thorbecke (FGT) poverty index.

[2 Marks]

c) Population growth is a 'double edge sword' in economic development perspectives. High fertility is being frowned on by most governments in the developing world with Kenya National Council for Population Development (NCPD) initiating a drive to limit number of children in a family to 2. As a speaker at Population conference.

i) Discuss the possible consequences of high fertility to economic development in Kenya.

[5 Marks]

ii) Explain the policy approaches to mitigate the high fertility problems in developing world. [4 Marks]

d) Agriculture still stands out as main contributor of GDP in the developing world. Hon. Kamitu the County Executive Committee member for Kanyagua County has requested you to present a paper on core require of a strategy of agricultural and rural development at the County Assembly Agricultural Committee sitting. Explain to the members, the key components of agriculture and rural development strategy.

[8 Marks]

Q2 a) Discuss the 7th goal of Millennium Development Goals 2000-2015 'environmental sustainability' anchoring the main issues surrounding the context of environment and economic development paradigm.

[6 Marks]

b) Explain the activities designed by UN, to address environmental sustainability in Sustainable Development Goals 2015-2030.

[4 marks]

c) Discuss the following basic issues that provide understanding of the relationship between environment and development.

i) sustainable development and environmental accounting. [3 Marks]

ii) Population, resources and the environment. [3 Marks]

iii) Poverty and the environment. [3 Marks]

iv) Rural development and the environment [3 Marks]

v) Urban development and the environment [3 Marks]

Q3. a) The expansion of higher education in most developing countries has raised a lot of criticism in the context of what benefit the society most. Moreso development experts have argued that its better the government to invest in basic education. Discuss. [13 Marks]

b) The influx of rural migrants to Nairobi is a challenge in terms of employment generation and improving quality of life of its residents hence compromising economic development. Explain to the officer in charge of labour, what they should consider when formulating a comprehensive strategy for migration and employment.

[12 Marks]

Q4. a) Most developing countries are agrarian in nature, that is most of their GDP is not diversified. This is mainly because agriculture and its allied sectors takes the lion share of GDP contribution above >25%. Using Lewis model of structural change discuss with Joint Summit of Development Ministers the key constructs of moving from traditional context of development to modern approach. Use illustrations where necessary.

[15Marks]

b) Explain how neoclassical growth differs from the arguments of Harrod-Domar model. [10 Marks]

Q5.a) The terms of trade of developing countries especially those of Sub-Saharan and the developed world are unfavourable. Explain the

argument for export promotion vis-à-vis import substitution strategies in developing countries. [15 Marks]

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b) Discuss the implications of South-South Trade and Economic Integration view point in boosting terms of trade in Africa front.

[10 Marks]

Q6. One characteristic of developing world is dependence on aid especially in driving the economic agenda. Provide argument for and against foreign aid in Kenya. [25 Marks]