



MASENO UNIVERSITY

UNIVERSITY EXAMINATIONS 2015/2016

FOURTH YEAR FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF ARTS IN ECONOMICS WITH INFORMATION TECHNOLOGY

CITY CAMPUS - REGULAR

AEC 403: DEVELOPMENT ECONOMICS

Date: 3rd December, 2015

Time: 2.00 - 4.00 pm

INSTRUCTIONS:

- Answer question ONE and any other TWO questions.



AEC 403: DEVELOPMENT ECONOMICS

INSTRUCTIONS:

Answer questions **ONE** and any other **TWO** questions.

Question One.

- a) Discuss the Neo-Classical Counterrevolution (The Washington Consensus) position on the causes of underdevelopment in Less Developed Countries (LDCs) (15 marks)
- b) State and explain the approaches prescribed by the Neo- Classical School for the attainment of sustainable Economic Development in the LDCs (15 marks)

[Total 30 marks]

Question Two.

- a) Explain the Kuznets Hypothesis of Income Distribution and Economic Development

(5 Marks)

- b) Do you agree that Income distribution must always worsen before improving during the process of Economic Development? Give reasons. (15 Marks)

[Total 20 Marks]

Question Three.

- a.) Outline the Linear Models of Economic Development. (10 Marks)
- b.) Discuss the criticisms of the Stages Theory of Economic Development (10 Marks)

[Total 20 Marks]

Question Four.

- a) Discuss the importance of International Trade in the process of Economic Development in LDCs (10 Marks)
- b) State and explain the policies the LDCs could adopt to ensure that they trade competitively with the Developed Countries (10 Marks)

[Total 20 Marks]

Question Five.

- a) State and explain the core values of development. (5 Marks)
- b) Discuss the common characteristics of LDCs (15 Marks)

[Total 20 Marks]