



# MACHAKOS UNIVERSITY

University Examinations 2022/2023

SCHOOL OF HUMANITIES AND SOCIAL SCIENCES

DEPARTMENT OF ECONOMICS

FIRST YEAR FIRST SEMESTER EXXAMINATION FOR

MASTER OF ECONOMICS

EAE 800: ECONOMIC DEVELOPMENT

**DATE:20/12/2022**

**TIME: 9:00 – 12:00P.M**

**INSTRUCTIONS: Answer question ONE and other TWO questions in this paper**

## QUESTION ONE (COMPULSORY-24MARKS)

- a) Discuss the implications of the New Growth theory for a country like Kenya (4 marks)
- b) With reference to the Harrod- Domar model, explain the barriers to growth that may be faced by developing countries. (3 marks)
- c) Explain the key concepts underlying Adam Smith’s theory of economic development. (3 marks)
- d)
- i. “There is no difference between economic growth and economic development”. Do you agree? Explain your answer (2 marks)
  - ii. Discuss the various measures of economic development carefully highlighting the merits and demerits of each (6 marks)
- (a) “Economic growth is mainly a function of economic factors”. Discuss this statement using relevant examples. (6 marks)

## QUESTION TWO (12MARKS)

- a) Environmental degradation is harmful to the human health and can also affect economic activities negatively. What are the policy measures put in place to address it in Kenya? (8 marks)
- b) Why are the objectives of economic development and sustainable growth mutually reinforcing? (4 marks)

**QUESTION THREE (12MARKS)**

- a) Discuss Rostow's stages of economic growth and highlight the criticisms levelled against the theory (8 marks)
- b) Based on the theory, what stage do you think Kenya is? Give reason(s) for your answer. (4 marks )

**QUESTION FOUR (12MARKS)**

Given the diversity of developing countries, do you think that there could ever be a single unified theory of development? Explain your answer. (12 marks)

**QUESTION FIVE (12MARKS)**

- a) Discuss the implications of the O-ring theory of economic development (6 marks)
- b) "The Lewis model can be said to be relevant to the economies of the developing countries". Do you agree? Why or why not? (6 marks)