

LAIKIPIA



UNIVERSITY

UNIVERSITY EXAMINATIONS

1ST SEMESTER 2023/2024 ACADEMIC YEAR

**FOURTH YEAR EXAMINATION FOR THE DEGREE
OF BACHELOR OF EDUCATION ARTS AND BACHELOR
OF SCIENCE IN ECONOMICS & STATISTICS**

ECON 215/BUST 412: ECONOMIC DEVELOPMENT

STREAM: *BED ARTS/ECON,STAT*

TIME: *2 HRS*

DAY: *THURSDAY [11.30-13.30 P.M]*

DATE: *7/12/2023*

THIS QUESTION PAPER CONSISTS OF TWO (2) PAGES

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INSTRUCTIONS:

1. Answer question ONE and any other TWO questions
2. Question one is compulsory and carries 30 marks
3. All other questions carry 20 marks each

QUESTION ONE

- a) Distinguish between economic growth and economic development. **(2 marks)**
- b) Describe the THREE different ways in which a nation can measure its economic growth and development. **(6 marks)**
- c) Using an illustration, discuss the vicious cycle of poverty from the supply side. **(6 marks)**
- d) Identify FIVE features of “basic needs strategy” as a tool in development strategy of a nation. **(5 marks)**
- e) Explain the different criticisms against the Lewis theory of economic development. **(6 marks)**
- f) Discuss the linkages between agricultural sector and industrial sector giving examples in Kenya? **(5 marks)**

QUESTION TWO

- a) Discuss the effects of socio-cultural constraints in economic development in Kenya. **(5 marks)**
- b) Critically evaluate the Romer model as a tool for economic development. **(15 marks)**

QUESTION THREE

- a) Foreign exchange constraint has been widely considered as one of the main causes of underdevelopment in Kenya. Discuss. **(10 marks)**
- b) Briefly discuss the five main assumption of Solow theory of economic development. **(10 marks)**

QUESTION 4

- a) Explain the nature and role of entrepreneurship and technology as a means of achieving rapid economic growth development. **(10 marks)**
- b) Discuss the limitations of Marxist theory of development. **(10 marks)**

QUESTION 5

- a) Discuss the major characteristics of less developed countries. **(10 marks)**
- b) Explain the role of agricultural sector in the economic development of Kenya. **(10 marks)**

