



The Co-operative University of Kenya

END OF SEMESTER EXAMINATION DECEMBER -2018

**EXAMINATION FOR THE DEGREE OF BACHELOR OF CO-OPERATIVE
BUSINESS / BACHELOR OF COMMERCE
(YR I SEM II)**

UNIT CODE: COCC 2211

UNIT TITLE: DEVELOPMENT ECONOMICS

DATE: 17TH DECEMBER, 2018

TIME: 9:00 AM – 11:00 AM

INSTRUCTIONS:

- Answer question **ONE (compulsory)** and any other **TWO** questions

QUESTION ONE

- (a) For economic development to have taken place there must be a number of structural changes in the economy. Highlight FIVE such structural changes. (5 Marks)
- (b) Distinguish between economic growth and economic development. (6 Marks)
- (c) Explain the role of agriculture in economic development. (6 Marks)
- (d) Formal banks play a major role in the economic development of a country. Highlight FIVE such roles. (5 Marks)
- (e) Explain the arguments in support of commercial policies in economic development. (8 Marks)

QUESTION TWO

- (a) Increases in national income will always include the well-being of the nationals. Explain. (10 Marks)
- (b) Per capita income is often used as a measure of the wealth of the population of the country particularly in comparison with other nations. Highlight the inherent weaknesses of per capital income as a measure of prosperity of a nation. (10 Marks)

QUESTION THREE

- (a) Sustainable development attempts to strike a balance between the demand of economic development and the need for protection of the environment. Highlight eight major aims of sustainable development. (8 Marks)
- (b) The determinants of economic developments are classified into two. Economic and social determinants. Explain at least SIX of each of the above determinants. (12 Marks)

QUESTION FOUR

- (a) Explain the role of micro finance institutions in economic developments. (10 Marks)
- (b) Highlight the major characteristics of underdevelopment countries. (10 Marks)

QUESTION FIVE

- (a) An underdeveloped country is one that has not been able to exploit its natural resources in order to improve the living standards of its people. Explain SEVEN factors that may hinder economic development of a country. (10 Marks)
- (b) Professor Meade Model of economic growth describes those conditions which will be helpful for sustainable economic growth in the presence of accountant increase in the population of a country. What are the major assumption of this model? (10 Marks)

