

**UNIVERSITY OF SWAZILAND**

**DEPARTMENT OF ECONOMICS**

**FINAL EXAMINATION PAPER, MAY 2006**

**TITLE OF PAPER:           DEVELOPMENT ISSUES**

**COUSE CODE:             ECON 303**

**TIME ALLOWED:          THREE HOURS**

**INSTRUCTIONS:          1. ANSWER FOUR QUESTIONS**

**2. ALL QUESTIONS CARRY EQUAL**  
**MARKS OF 25 EACH**

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GRANTED PERMISSION**

**QUESTION ONE****[25 marks; 5 marks each]**

Write explanatory notes on the following concepts:

- [a] The meaning of development
- [b] Basic needs
- [c] Under-employment
- [d] Brain drain
- [e] Structural adjustment programme

**QUESTION TWO****[25 marks]**

- [a] Identify the components of the human development index [10marks]
- [b] Critically examine the common characteristics of the developing countries that constitute the bulk of the world's population. [15marks]

**QUESTION THREE****[25 marks]**

- [a] Discuss the Growth Theory of W. W. Rostow. [12marks]
- [b] What are the various criticisms of the Labour Surplus Model of Author Lewis? [5marks]
- [c] Identify the major constraints facing the informal sector in Swaziland? [8marks]

**QUESTION FOUR****[25 marks]**

- [a] What are the various means of human capital formation? [12marks]
- [b] Discuss the population policies that a country can pursue to slow down the pace of population growth. Specific reference to Swaziland will be an advantage. [13marks]

**QUESTION FIVE****[25 marks]**

- [a] Examine the costs and benefits of foreign direct investment in a developing country. [12.5marks]
- [b] Most donors give aid with multiple motives. Discuss such motives and their effects in most developing countries. [12.5marks]

**QUESTION SIX****[25 marks]**

- [a] What are the various types of economic integration? [8marks]
- [b] Swaziland is a member of the Common Monetary Area.  
Critically examine the **objectives, strategies and limitations**  
of this monetary arrangement. [17marks]