

**UNIVERSITY OF SWAZILAND  
DEPARTMENT OF ECONOMICS**

**FINAL EXAMINATION PAPER, 2007**

**TITLE OF PAPER : DEVELOPMENT ISSUES**

**COUSE CODE : ECON 303**

**TIME ALLOWED : THREE HOURS**

**INSTRUCTIONS : 1. ANSWER FOUR QUESTIONS; TWO  
QUESTIONS FROM SECTION A AND  
TWO QUESTIONS FROM SECTION B**

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

**DO NOT OPEN THIS PAPER UNTIL THE INVIGILATOR HAS  
GRANTED PERMISSION**

## SECTION A

### QUESTION ONE

(25 marks)

- [a] The equation  $\frac{\Delta Y}{Y} = s \frac{Y}{k}$  is a simplified version of the famous equation in the Harrod-Domar theory of economic growth. Discuss the implications of the equation. (18 marks)
- [b] What are the criticisms of the model? (7 marks)

### QUESTION TWO

(25 marks)

- [a] Discuss **THREE** of the structural differences among developing countries. (12.5 marks)
- [b] Discuss **THREE** of the common characteristics of developing countries. (12.5 marks]

### QUESTION THREE

(25 marks)

- [a] Identify the relationship between basic needs and poverty. (10 marks)
- [b] Examine the Millennium Development Goals. (15 marks)

### QUESTION FOUR

(25 marks)

- [a] Why was there a motivation for the New Growth Theory? (5 marks)
- [b] Trace the important issues that are relevant to the New Growth Theory? (10 marks)
- [c] Why is emphasis put on human resource development in the New Growth Theory? (10 marks)

## SECTION B

### QUESTION FIVE

(25 marks)

- [a] What are the main causes of poverty in Swaziland? (15marks)
- [b] Discuss five policy measures that the country can take to alleviate poverty. (10marks)

**QUESTION SIX**

**(25 marks)**

- [a] What is the relationship between unemployment and under-employment? (10 marks)
- [b] Examine the policies that the Swaziland Government could pursue to solve the problem of unemployment in the country? (15 marks)

**QUESTION SEVEN**

**(25 marks)**

- [a] What are the major gaps that private foreign investment is supposed to fill in the developing countries? (10 marks)
- [b] Examine the major factors that motivate most donors to give aid to developing countries? (15 marks)

**QUESTION EIGHT**

**(25 marks)**

- (a) Discuss five factors that make regional integration a worthwhile exercise in Africa. (10 marks)
- (b) Customs unions in the developing countries have brought both advantages and disadvantages. Discuss this statement with reference to the Southern African Customs Union. (15 marks)