

**University of Swaziland**

**Faculty of Social Science**

**Department of Economics**

**Final Examination Paper, December 2012**

**Title of paper : Development theory**

**Course Code : Econ 306**

**Time allowed : Three (3) hours**

**Instructions : 1. Answer four (4) questions.**

**2. All questions carry equal marks of twenty five (25) each.**

**Do not open this paper until the invigilator has granted permission.**

### Question 1

- a) Explain how the World Bank (WB) uses per capita income as a key indicator of the diversity of countries. (10 marks)
- b) Using examples, explain why the United Nations (UN) groups some of the 'high Income Countries' as developing countries. (10 marks)
- c) 'Categorising countries is of great importance for analytical and policy purposes'. Do you agree? Support your answer. (5 marks)

### Question 2

- a) Explain fully four (4) main causes of low levels of productivity (output per person) among developing countries. (12 marks)
- b) 'Death rates in developing countries have fallen, compared to the past'. Do you agree? Support your answer fully. (13 marks)

### Question 3

'International-Dependence models view developing countries as troubled by institutional, political, and economic rigidities, both domestic and international, and caught up in a dependence and dominance relationship with rich countries'. Discuss.

(25 marks)

### Question 4

- a) What is the main prediction of the Harrod-Domar model? (5 Marks)
- b) What are the advantages and disadvantages of the Harrod-Domar model? (20 Marks)

### Question 5

- a) Describe the nature of the International Dependence theory. (7 Marks)
- b) Explain fully how the arguments of the theory mentioned in a) above fit into present economic and social development of developing nations. (18 Marks)

### Question 6

- a) Explain fully five (5) broad sets of recommendations described in the Washington Consensus. (20 Marks)
- b) Did the Washington Consensus fail? Discuss briefly (5 Marks)