

UNIVERSITY OF ESWATINI
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
FINAL EXAMINATION PAPER, MAY 2019

Title of paper : **Development Problems and Policies**
Course Code : **ECO306/ECON 307**
Time allowed : **Two (2) hours**
Instructions : **Answer question one and any other two questions.**

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

Compulsory: 40 marks

Question 1

- a. Distinguish between economic and cultural globalization. (5 marks)
- b. Explain briefly the following types of poverty.
- i) Situational
 - ii) Generational
 - iii) Urban
 - iv) Rural (5 marks each)
- c. The table below shows the incomes of ten (10) inhabitants in a community. Assume the poverty line is 100.

| S/N | INCOME | S/N | INCOME |
|-----|--------|-----|--------|
| 1 | 90 | 6 | 96 |
| 2 | 91 | 7 | 98 |
| 3 | 93 | 8 | 102 |
| 4 | 95 | 9 | 140 |
| 5 | 95 | 10 | 300 |

Calculate and interpret the results

- i) The head count ratio
- ii) Poverty depth/gap
- iii) Poverty severity/squared poverty gap (15 marks)

Answer any two questions from the following: 30 marks each

Question 2

- a. Distinguish between agricultural and rural development. (5 marks)
- b. Explain the impact of institutions on the growth of economic development. (10 marks)
- c. Describe five principal economic arguments advanced in support of foreign aid to the developing countries. (15 marks)

Question 3

- a. Describe briefly any five (5) causes of global poverty. (10 marks)
- b. Describe five (5) ways in which subsistence farming on Swazi Nation Land helps Eswatini. (10 marks)
- c. Describe five major adverse effects of 'Brain Drain' on the development of the Swazi economy. (10marks)

Question 4

- a) Explain briefly any two (2) leading limitations of regional integration in Southern Africa. (5 marks)
- b) Development and education are mutually exclusive. Do you agree? Support your answer fully. (10 marks)
- c) The importance of the urban informal sector on the development of the Swazi economy cannot be ignored. Discuss briefly why. (15 marks)