



**Strathmore**  
UNIVERSITY

## **STRATHMORE BUSINESS SCHOOL**

MASTER OF SCIENCE IN DEVELOPMENT FINANCE

### **MDF 8106: DEVELOPMENT ECONOMICS SPECIAL EXAMINATION**

**Date: Monday, 24<sup>th</sup> March 2025**

**Time: 3 Hours**

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#### **Instructions**

1. This examination consists of **SIX** questions.
2. Answer **QUESTION ONE** and **ANY OTHER THREE** questions.

#### **QUESTION 1 (30 MARKS)**

- (i) Briefly discuss any four distinct characteristics of the developing world (8 marks)
- (ii) Country X is a typical developing country that is characterized by over-reliance on agriculture and a low share of manufacturing in output and exports. From a theoretical perspective, explain how country X can jumpstart growth and development (8 marks)
- (iii) Following from (ii) above, discuss and recommend whether the country should pursue an export promotion or import substitution strategy (8 marks)
- (iv) Briefly explain how one can use functional distributions to measure inequality (6 marks)

#### **QUESTION 2 (10 MARKS)**

There were various lessons that were learnt after implementation of the Sustainable Development Goals. Briefly discuss any five lessons.

#### **QUESTION 3 (10 MARKS)**

Suppose there are 30 people in an economy, with a poverty line of 4000. Given their income/expenditure levels, calculate and interpret

- (i) The poverty Head count (2 marks)
- (ii) The Total Poverty Gap (3 marks)
- (iii) The Foster-Greer-Thorbecke (FGT) index (5 marks)

2050	2490	3270	4030	4450	4740
2100	2660	3530	4150	4550	4780
2230	2800	3780	4230	4620	4810
2340	2950	3910	4310	4660	5000
2410	3030	3975	4395	4700	5250

**QUESTION 4 (10 MARKS)**

Using data in question 3 above,

- (i) Calculate the income shares using deciles and comment on the level of inequality (6 marks)
- (ii) Calculate and interpret the Kuznet's index of inequality (4 marks)

**QUESTION 5 (10 MARKS)**

Under a post-2015 framework, there can be no 'right' to ODA or concessional climate finance unless a country is also mobilizing domestic resources within its means. Briefly discuss any five ways that countries can enhance their domestic budget resources in order to finance their sustainable development.

**QUESTION 6 (10 MARKS)**

- (i) Briefly discuss any two core values of development (4 marks)
- (ii) Briefly explain how underdevelopment can result from a coordination failure. Provide examples (6 marks)