



**Strathmore**  
UNIVERSITY

**SCHOOL OF HUMANITIES & SOCIAL SCIENCES**

**BACHELOR OF ARTS IN DEVELOPMENT STUDIES AND PHILOSOPHY**

**END OF SEMESTER EXAM**

**BDP 4202: COMPARATIVE REGIONAL ECONOMIC DEVELOPMENT**

**DATE: 14/03/2023**

**TIME: 08:00-10:00**

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**Instructions**

1. This test consists of **5** questions.
  2. Answer **ALL** questions **Question 1 (compulsory) and any other two.**
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**Question One**

a) Briefly discuss the following measures of economic development and their application in development.

- i. Gross Domestic Product (4 marks)
- ii. Gross National Income (4 marks)
- iii. Human Development Index (7 marks)

b) Using the East African region, discuss the relationship between economic development and the following:

- i. Institutions (5 marks)

ii. Physical capital (5 marks)

iii. Trade (5 marks)

Existence of infrastructure such as factories, transport links and machinery reduces cost, facilitates international trade, improves labour productivity and increases economic efficiency and output.

### **Question Two**

- a) With the use of relevant examples, explain the classification/categorization of countries by the UNDP (5 marks)
- b) Define Transnational corporations (TNCs) and identify the four broad categories of TNCs activity in developing countries. (5 Marks)
- c) Carefully explain what it means to say that a country has a balance of payments problem and what part or parts of a country's balance of payments accounts might provide an "alert" that there is the potential for crisis. (5 Marks)

### **Question Three**

- a. Define foreign aid and discuss the three main types of foreign aid (5 Marks)
- b. "The International Monetary Fund (IMF) and the World Bank tend to assume that endogenous, policy-related errors lie at the base of a nation's difficulties. Consequently, adjustment programs fail to address the causes of an economic crisis." (Cypher, J.M. 2014). Discuss this statement. (10 Marks)

### **Question Four**

Path dependence refers to a situation where the economic outcome of a country is shaped by past occurrences rather than on current conditions. Discuss the role of path dependence on economic development using relevant examples from any country or region. (15 marks).

### **Question Five**

Discuss the following concepts in explaining unfavourable development trajectories in developing countries (15 Marks).

- a. Resource curse (5 Marks)
- b. Geographical explanations (10 marks)