The Management University of Africa

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UNDERGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF ARTS, HUMANITIES, DEVELOPMENT STUDIES AND SOCIAL SCIENCES (SADS)

DEGREE OF MASTER OF ARTS IN DEVELOPMENT STUDIES

MDE 516: ECONOMICS OF DEVELOPMENT

DATE: 28TH JULY 2026

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

KIJANA REPUBLIC

Kijana Republic is a low-income developing country whose economy depends heavily on agriculture, informal trade, and extraction of natural resources. For many years, economic development policies focused on increasing agricultural production, improving infrastructure, and attracting foreign investment. Despite these efforts, poverty, unemployment, inequality, and food insecurity remain major development challenges.

The government recently launched an ambitious national development plan aimed at transforming the country into a middle-income economy within twenty years. The strategy focuses on industrialization, export promotion, modernization of agriculture, digital transformation, and regional trade integration. Policymakers argue that rapid economic growth will create employment opportunities and improve living standards.

However, development experts disagree on the most appropriate development pathway. Some economists support modernization and linear growth theories, arguing that industrialization, technological innovation, and capital accumulation are necessary for economic transformation. Others argue that dependence on international markets and foreign corporations may worsen inequality and increase vulnerability to global economic shocks. Agriculture continues to employ over 70% of the population. However, smallholder farmers face challenges such as climate change, declining soil fertility, inadequate access to credit, poor infrastructure, and limited market access. Food insecurity remains widespread despite the country's agricultural potential. Women contribute significantly to agricultural production but have limited access to land ownership, financing, and agricultural technologies.

Globalization has created new opportunities for trade and investment. International companies have invested in telecommunications, manufacturing, and agribusiness sectors. Urban areas have benefited from job creation and technological advancement. However, local industries complain that imported products are undermining domestic production and reducing competitiveness.

Population growth remains high, increasing pressure on education systems, healthcare services, housing, employment opportunities, and natural resources. Urbanization has accelerated as young people migrate from rural areas in search of jobs. Informal settlements continue to expand around major cities, creating social and economic challenges.

The government recently introduced export promotion programmes, regional trade agreements, industrial development policies, and fiscal incentives to attract investors. At the same time, policymakers are debating whether greater emphasis should be placed on rural development, food security, community participation, and inclusive growth strategies.

Climate change has further complicated development efforts. Droughts, floods, and unpredictable weather patterns have reduced agricultural productivity and increased vulnerability among rural populations. International development partners are encouraging the country to align development policies with Sustainable Development Goals (SDGs) and climate-resilient development approaches. The Ministry of Development Planning has appointed a team of economists and development specialists to review national development policies and recommend strategies that can promote inclusive growth, rural transformation, and sustainable economic development. As a Development Economics consultant, you have been invited to evaluate the country's development challenges and propose practical policy recommendations.

Required:

(a) Using evidence from the case study, analyze five major economic development challenges

affecting Kijana Republic and explain how they influence national development outcomes. **(10 Marks)**

(b) Evaluate the relevance of modernization theories, growth theories, and structural change models in explaining the development experiences of Kijana Republic. **(10 Marks)**

(c) Assess the importance of inclusive growth, food security, and sustainable development in promoting long-term economic transformation. **(10 Marks)**

QUESTION TWO

(a) A developing country seeks to evaluate its progress towards economic development. Using practical examples, demonstrate how traditional and modern measures of development can be used to assess development performance. **(7 Marks)**

(b) A policy think tank argues that GDP growth alone is insufficient for measuring development. Evaluate alternative indicators of development and explain how they can improve development planning and policy formulation. **(8 Marks)**

QUESTION THREE

(a) A government intends to accelerate economic transformation through industrialization, infrastructure investment, and technological innovation. Analyze how classical theories of economic development and linear stage theories explain economic growth and transformation. **(7 Marks)**

(b) Using practical examples, evaluate the strengths and limitations of growth-centered development approaches in contemporary developing economies. **(8 Marks)**

QUESTION FOUR

a) A rural county is experiencing poverty, food insecurity, low agricultural productivity, and youth migration. Describe how rural development strategies can contribute to economic development and poverty reduction. **(7 Marks)**

b) A government plans to strengthen agricultural transformation programmes to improve food security and rural livelihoods. Evaluate any four practical policy interventions that can promote agricultural development and sustainable rural transformation. **(8 Marks)**