



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF ACCOUNTING, ECONOMICS AND FINANCE

QUALIFICATION: BACHELOR OF ECONOMICS	
QUALIFICATION CODE: 07BECO	LEVEL: 7
COURSE CODE: DEC712S	COURSE NAME: DEVELOPMENT ECONOMICS
SESSION: NOVEMBER 2023	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION PAPER	
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INSTRUCTIONS
<ol style="list-style-type: none">1. This paper consist of 4 sections2. Answer ALL questions3. Number your answers in accordance with the question paper.4. Start each section answer on a new page5. Write clearly and legibly

PERMISSIBLE MATERIALS

1. Pen
2. Ruler
3. Calculator (Programmable calculators are not allowed)

THIS PAPER CONSISTS OF 4 PAGES (Including this front page)

1. According to the World Bank classifications, Namibia is regarded as a:
 - a) Low Income poor Country
 - b) Upper-Middle Income Country
 - c) Developed middle Country
 - d) Emerging market country
2. Kuznet ratio measures:
 - a) Poverty amongst countries
 - b) Inequality between countries
 - c) Poverty within the country
 - d) Inequality within the country
3. A less Developed country possess the following traits except
 - a) Low real national income per capita
 - b) A Large agricultural sector
 - c) High population growth
 - d) Income per capita is relatively high
4. The Gini Coefficient of 0.076 shows:
 - a) A developed country with perfect equality
 - b) A developing country moving into poverty
 - c) A country moving towards perfect inequality
 - d) None of the above
5. The sectors that has the largest number of workers in Namibia are:
 - a) Education, Health and Defense
 - b) Forest, Fisheries and Agriculture
 - c) Mining, Tourism and Fishing
 - d) None of the above
6. According to the population transition theory, the stage where falling birthrates and death rates eventually stabilizes, is referred to as :
 - a) Stage I
 - b) Stage II
 - c) Stage III
 - d) Stage IV
7. The use of taxes and expenditure is referred to as
 - a) Monetary policy
 - b) Fiscal policy
 - c) Taxation policy
 - d) Expenditure policy
8. According to the Human Capital Theory, a commitment to a profession that requires continued training and offers a clear path for occupational growth is known as:
 - a) Training
 - b) Career
 - c) Profession
 - d) All of the above

9. The manner in which agricultural system is developed on the land is known as the:
- a) Agrarian system
 - b) Land tenure
 - c) Land reform
 - d) Resettlement system
10. The following type of migration is not a form of involuntary migration
- a) Slavery
 - b) Military conscription
 - c) Refugee
 - d) Scholarship

SECTION B: TRUE OR FALSE

[10 MARKS]

1. Namibia enjoyed a remarkable period of high economic growth during the past 30 years and this growth have translated into remarkable economic development.
2. According to the Harrod-Domar economic growth model savings and investment are not so important in determining economic growth.
3. Training refers to an act of inculcating specific skills in a person.
4. GDP and GNI per capita are the most traditional and holistic measure of economic growth in developing countries.
5. The concept of training is broader while the concept of education is comparatively narrower.
6. Small political elites is the key characteristic of developed countries.
7. The broad definition of unemployment always yields higher rates of unemployment than the strict definition.
8. Namibia's GDP per capita of N\$3,500 makes it to be an upper-middle income country.
9. Current expenditure of the government budget includes investments made by the government in capital equipment and infrastructure, etc.
10. Increase in the real GDP of a country may not necessarily result in improved living standards.

SECTION C

QUESTION 1**(10 MARKS)**

Explain the following technical terms:

- (i) Stabilization policy
- (ii) Kuznets hypothesis
- (iii) Crowding-out Effect
- (iv) Expansionary fiscal policy's effect on the interest rate
- (v) The cost of borrowing

QUESTION 2**[20 MARKS]**

Discuss the objectives of economic development. Why economic development is preferred over economic growth.

QUESTION 3**[20 MARKS]**

Define urbanization and discuss its main causes

SECTION D

QUESTION 1**(10 MARKS)**

The creation of "full employment" is a common economic policy goal. However, full employment does not imply zero unemployment. A dynamic economy will always have some unemployment; this is not necessarily harmful. In view of this, *briefly discuss the main types of unemployment that is likely to prevail in an economy and give examples.*

QUESTION 2**[20 MARKS]**

Table 3 below describes the size distribution of income among the citizens in a hypothetical developing country named Oruguai Island. The total population in Oruguai Island is 10 people.

(Show all computational steps)

Table 3

Group	A	B	C	D	E	F	G	H	I	J
Income	500	15000	10000	12000	500	800	6500	1200	100	20000

Use the information in the table to calculate:

- (i) Quintiles
- (ii) Deciles