



NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF ECONOMICS, ACCOUNTING AND FINANCE

QUALIFICATION: BACHELOR OF ECONOMICS	
QUALIFICATION CODE: 07BECO	LEVEL: 7
COURSE CODE: DEC712S	COURSE NAME: DEVELOPMENT ECONOMICS
SESSION: DECEMBER 2025	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY EXAMINATION PAPER	
EXAMINER(S)	MR. MALLY LIKUKELA
MODERATOR:	DR RUTH EEGUNJOBI

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

THIS PAPER CONSISTS OF 5 PAGES (Including this front page)

1. Regions in Namibia with the highest HDI are:
 - a) Khomas, Erongo & Karas
 - b) Swakopmund, Windhoek & Luderitz
 - c) All coastal regions
 - d) All of the above

2. Frictional unemployment
 - a) Occurs when a worker moves from one job to another.
 - b) Unemployment due to trade cycles
 - c) Occurs when real wages for a job are set above the market clearing level
 - d) It occurs when the economy is unable to provide substantial jobs for everyone

3. A less Developed country possess the following traits except
 - a) Low real national income per capita
 - b) Income per capita is relatively high
 - c) A Large agricultural sector
 - d) High population growth

4. The Gini Coefficient of 0.076 shows:
 - a) A developed country with perfect equality
 - b) A country moving towards perfect inequality
 - c) A developing country moving into poverty
 - d) None of the above

5. Migrants are pushed toward rural area due to:
 - a) Poverty,
 - b) Lack of land,
 - c) None of the above
 - d) Declining agricultural work,

6. The use of taxes and expenditure is referred to as
 - a) Monetary policy
 - b) Taxation policy
 - c) Fiscal policy
 - d) Expenditure policy

7. 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 IV
 - d) Stage III

8. Lewis Theory of Development is concerned with
- All of the below
 - Transforming economic structure from traditional agriculture to a more modern, urbanized and industrially diverse manufacturing and services sector.
 - Investment is creating a secular and democratic government and free mass media
 - From highly unequal international capitalist system
9. 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:
- Career
 - Training
 - Profession
 - All of the above
10. The manner in which agricultural system is developed on the land is known as the:
- Agrarian system
 - Land tenure
 - Land reform
 - Resettlement system

SECTION B: TRUE OR FALSE

[10 MARKS]

- Training refers to an act of inculcating specific skills in a person.
- According to the NSA - two of the regions with the lowest HDI are found in the north part of Namibia.
- No one know the life expectancy in Namibia.
- GDP and GNI per capita are the most traditional and holistic measure of economic growth in developing countries.
- The broad definition of unemployment always yields higher rates of unemployment than the strict definition.
- Lorenz curves graph percentiles of the population against cumulative income or wealth of people at or below that percentile.
- The concept of training is broader while the concept of education is comparatively narrower.
- Namibia's GDP per capita of N\$3,500 makes it to be an upper-middle income country.
- In the year 2018, unemployment amongst young Namibians aged between 20–24 years age category stood at a staggering 57%.
- 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 concepts/terms:

- i. Development
- ii. Demography
- iii. Refugee
- iv. Urbanization
- v. Capital-Output Ratio

QUESTION 2**[10 MARKS]**

In the Harold-Domar model, various components of capital investments are said to be key drivers of economic growth. Describe and explain how these components drive economic growth?

QUESTION 3**[20 MARKS]**

Discuss the main causes of urbanization

SECTION D

QUESTION 1**[10 MARKS]**

- i. Distinguish between a Job and a Career
- ii. Distinguish between training and Education

QUESTION 2**[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 3**[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

.....End of paper.....