



**NAMIBIA UNIVERSITY**  
OF SCIENCE AND TECHNOLOGY

**FACULTY OF FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION**

**DEPARTMENT OF ACCOUNTING, ECONOMICS AND FINANCE**

<b>QUALIFICATION: BACHELOR OF ECONOMICS</b>	
<b>QUALIFICATION CODE: 07BECO</b>	<b>LEVEL: 7</b>
<b>COURSE CODE: DEC712S</b>	<b>COURSE NAME: DEVELOPMENT ECONOMICS</b>
<b>SESSION: JANUARY 2025</b>	<b>PAPER: THEORY</b>
<b>DURATION: 3 HOURS</b>	<b>MARKS: 100</b>

<b>SECOND OPPORTUNITY EXAMINATION PAPER</b>	
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<b>INSTRUCTIONS</b>	
	<ol style="list-style-type: none"><li>1. This paper consist of 4 sections</li><li>2. Answer <b>ALL</b> questions</li><li>3. Number your answers in accordance with the question paper.</li><li>4. Start each section answer on a new page</li><li>5. Write clearly and legibly</li></ol>

**PERMISSIBLE MATERIALS**

1. Pen
2. Ruler
3. Calculator

**THIS MEMORANDUM CONSISTS OF 4 PAGES** (Including this front page)

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**SECTION A: MULTIPLE CHOICE****[10 MARKS]**

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1. Regions in Namibia with the highest HDI are:
  - a) Swakopmund, Windhoek & Luderitz
  - b) Khomas, Erongo & Karas
  - 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) 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. Migrants are pushed toward rural area due to:
  - a) Poverty,
  - b) Lack of land,
  - c) Declining agricultural work,
  - d) None of the above
6. The use of taxes and expenditure is referred to as
  - a) Monetary policy
  - b) Fiscal policy
  - c) Taxation policy
  - d) Expenditure policy
7. Lewis Theory of Development is concerned with
  - a) Transforming economic structure from traditional agriculture to a more modern, urbanized and industrially diverse manufacturing and services sector.
  - b) Investment is creating a secular and democratic government and free mass media
  - c) From highly unequal international capitalist system
  - d) All of the above

8. 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
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:
- a) Training
  - b) Career
  - c) Profession
  - d) All of the above
10. 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

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**SECTION B: TRUE OR FALSE****[10 MARKS]**

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- 1. No one know the life expectancy in Namibia.
- 2. Training refers to an act of inculcating specific skills in a person.
- 3. GDP and GNI per capita are the most traditional and holistic measure of economic growth in developing countries.
- 4. According to the NSA - two of the regions with the lowest HDI are found in the north part of Namibia.
- 5. The concept of training is broader while the concept of education is comparatively narrower.
- 6. The broad definition of unemployment always yields higher rates of unemployment than the strict definition.
- 7. Lorenz curves graph percentiles of the population against cumulative income or wealth of people at or below that percentile.
- 8. Namibia's GDP per capita of N\$3,500 makes it to be an upper-middle income country.
- 9. In the year 2018, unemployment amongst young Namibians aged between 20–24 years age category stood at a staggering 57%.
- 10. Increase in the real GDP of a country may not necessarily result in improved living standards.

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## SECTION C

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### 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 derives economic growth?

### QUESTION 3

[20 MARKS]

Discuss the main causes of urbanization

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## SECTION D

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### QUESTION 1

[10 MARKS]

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

### QUESTION 2

[10 MARKS]

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 Takamedia. The total population in Takamedia 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