

**University of Swaziland**

**Faculty of Social Science**

**Department of Economics**

**Supplementary/Resit Examination Paper, July 2018**

**Title of paper : Development Theory**

**Course Code : ECO 303/ECON 306**

**Time allowed : Two (2) hours**

**Instruction : Answer question ONE (compulsory) and any other TWO questions.**

**Do not open this paper until the invigilator has granted permission.**

## **Question 1 Compulsory (Total marks 40)**

- a) "Developing countries need to reduce their connectedness with world markets so that they could pursue a path more in keeping with their own needs, less dictated by external pressures". Do you agree or disagree with this statement? Explain fully your reasoning. [15 marks]
- b) Is it possible for an economy to continue growing forever solely by accumulating more capital? [15 marks]
- c) Explain fully how the traditional definition of development economics should be broadened? [10 marks]

**Answer any two questions**

### **Question 3**

- a) What are the four key assumptions of the Lewis model that give rise to its conclusions? [8 marks]
- b) Describe four criticisms of Rostow's stages of economic growth theory. [12 marks]

### **Question 4**

- a) "Science, technology and innovation hold the promise to ultimately achieving the Sustainable Development Goals (SDGs). Do you agree or disagree with this statement? Explain fully your reasoning. [15 marks]
- b) How does an increase in the savings rate affect economic growth? [5 marks]

### **Question 5**

- a) Why don't all countries converge to the same level of per capita GDP as the United States, Germany, and Japan? [5 marks]
- b) Describe fully how international bodies such as the IMF and the WB have promoted or encouraged a more market-oriented approach to growth in developing countries. Explain briefly why this is possibly problematic. [15 marks]