



PAN AFRICA CHRISTIAN UNIVERSITY

SCHOOL OF LEADERSHIP, BUSINESS AND TECHNOLOGY

**END OF SEMESTER EXAMINATION FOR THE DEGREE OF
BACHELOR OF COMMERCE**

BACHELOR OF BUSINESS LEADERSHIP

SEPTEMBER-DECEMBER 2017

CAMPUS: ROYSAMBU

DEPARTMENT: BUSINESS STUDIES

COURSE CODE: BUS2433

COURSE TITLE: ECONOMIC POLICY AND MANAGEMENT

EXAM DATE: 8th - 11th DECEMBER 2017

DURATION: 3 hours

INSTRUCTIONS

- Read all questions carefully before attempting.
- Answer FOUR questions out of the SIX provided

QUESTION ONE

- a) Define the following terms:**
 - i) Economic growth **(2 Marks)**
 - ii) Economic development **(2 Marks)**
- b) Explain three sources of economic growth in less developed countries. (6 Marks)**

QUESTION TWO

- a) Business environment and business decisions are influenced by two sets of factors. Explain them. (4 Marks)**
- b) Discuss the vicious circle of poverty. (6 Marks)**

QUESTION THREE

- a) Describe the two measures that economists use to measure income inequality in a country and to compare this phenomenon among countries more accurately. (4 Marks)**
- b) Elaborate on three characteristics of the employment problem in less developed countries. (6 Marks)**

QUESTION FOUR

- a) State two benefits of free foreign trade that accrue to participating countries. (2 Marks)**
- b) Outline the changing roles of developing countries in global trade. (2 Marks)**
- c) Discuss three possible policy approaches that will assist the high unemployment rate in developing countries. (6 Marks)**

QUESTION FIVE

- a) State three main forms of financial flows to developing countries (3 Marks)**
- b) Outline the three main components of official development assistance to developing and transition countries. (3 Marks)**
- c) Describe two trade strategies that governments carry out to enable economic development in terms of globalization. (4 Marks)**

QUESTION SIX

Discuss the following theories of economic development

- i) Rostow's stages of growth **(2 Marks)**
- ii) Harrod-Domar growth model **(2 Marks)**
- iii) Structural-changes model **(2 Marks)**
- iv) Lewis theory of development **(2 Marks)**
- v) The International Dependence Model **(2 Marks)**

