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)**