



Kasarani Campus
Off Thika Road
Tel. 2042692 / 3
P. O. Box 49274, 00100
NAIROBI
Westlands Campus
Pamstech House
Woodvale Grove
Tel. 4442212
Fax: 4444175

KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR
FIRST YEAR, SECOND SEMESTER EXAMINATION
FOR THE BACHELOR OF ECONOMICS AND FINANCE

Date: 13th December, 2024
Time: 2.30pm – 4.30pm

KEF 2201: DEVELOPMENT FOR ECONOMICS

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

Country X is a developing economy with a population of 50 million people. Its main industries are agriculture and textiles, which account for 60% of its GDP and employ 70% of its workforce. However, Country X faces several challenges, including:

1. Poverty and Unemployment: 40% of the population lives below the poverty line, and the unemployment rate is 20%, especially high among the youth.
2. Infrastructure Deficit: Roads, electricity, and sanitation infrastructure are inadequate, particularly in rural areas, hampering business growth.
3. Dependence on Agriculture: Agriculture is highly vulnerable to weather conditions, and many farmers rely on outdated techniques, resulting in low productivity.
4. Foreign Debt: The government of Country X has borrowed heavily from international lenders to fund development projects, and the national debt is now 80% of GDP.
5. Low Foreign Direct Investment (FDI): Due to political instability, foreign investors are hesitant to invest in Country X, leading to slow industrialization and limited job creation.

Required

- a) Explain how Country X can REDUCE its dependence on agriculture and promote industrialization and services? (10 Marks)
- b) Discuss the POLICIES AND PROGRAMS Country X can implement to reduce poverty and create jobs. (5 Marks)
- c) Given the limited financial resources and high foreign debt, HOW can Country X address its infrastructure deficit? (5 Marks)
- d) Discuss the STRATEGIES the government adopt to manage and reduce its foreign debt while still funding necessary development projects? (5 Marks)
- e) Discuss the STEPS Country X can take to improve political stability and make the country more attractive to foreign investors? (5 Marks)

QUESTION TWO (20 MARKS)

- a) Discuss FIVE sources of finance for developing economies. (10 Marks)
- b) Discuss the CRITISM level against the development banks. (10 Marks)

QUESTION THREE (20 MARKS)

- a) Discuss FIVE types of infrastructure development projects in Kenya, giving example of each. (10 Marks)
- b) Discuss FIVE impact of infrastructure development projects in Kenya. (5 Marks)
- c) Discuss FIVE need for monitoring and evaluation of infrastructure development projects in Kenya. (5 Marks)

QUESTION FOUR (20 MARKS)

- a) Describe FIVE vision 2030 key projects and their goals with relevant examples. (10 Marks)
- b) Discuss FIVE milestone to-date on implementation of vision 2030. (5 Marks)
- c) Explain FIVE principles of sustainable development under SDGs (5 Marks)

QUESTION FIVE (20 MARKS)

- a) Discuss FIVE other characteristics of developing economies. (10 Marks)
- b) Describe the CLASSICAL THEORY of economic development. (10 Marks)