



MAASAI MARA UNIVERSITY

REGULAR UNIVERSITY EXAMINATIONS

**2018/2019 ACADEMIC YEAR
SECOND YEAR SECOND SEMESTER**

SCHOOL OF BUSINESS AND ECONOMICS

**BACHELOR OF SCIENCE IN ECONOMICS
BACHELOR OF SCIENCE IN FINANCIAL
ECONOMICS**

**BACHELOR OF SCIENCE IN ECONOMICS
AND STATISTICS**

COURSE CODE: ECO 2208

**COURSE TITLE: ISSUES IN AFRICAN
ECONOMIC**

DEVELOPMENT

**DATE: 16TH APRIL, 2019
1300HRS**

TIME: 1100 -

INSTRUCTIONS TO CANDIDATES

Answer Question **ONE** and any other **THREE** questions

This paper consists of 2 printed pages. Please turn over.

QUESTION ONE

(a) The objective of Structural adjustment programs in Africa was to establish a market-friendly set of incentives that can encourage the accumulation of capital and more efficient allocation of resources. Discuss **(14 Marks)**

(b) Differentiate between Economic Growth and Economic Development **(4 Marks)**

(c) With reference to African Union Vision 2063, explain how a prosperous Africa based on inclusive growth and sustainable development is to be achieved. **(7 Marks)**

QUESTION TWO

(a) Multinational Companies dominate not only global investment but also international production, trade, finance and technology. Discuss with reference to sub-Sahara African country of your choice. **(10 Marks)**

(b) Explain how the existence of imperfect markets in African countries has been used to justify an active role for government intervention. **(5 Marks)**

QUESTION THREE

(a) Explain how the common influence of major shifts in economic events such as commodity booms, oil shocks and foreign assistance affects growth of economy of African Countries. **(8 Marks)**

(b) Discuss the main reasons for low rate of capital formation in African countries
(7 Marks)

QUESTION FOUR

(a) Explain the challenges of public enterprises in Kenya.
(5 Marks)

(b) Discuss five major constraints that have impeded economic development in Africa since 1960's.
(10 Marks)

QUESTION FIVE

The structural characteristics identifiable with the pattern of production, consumption and exchange of the African economy constitute the most fundamental causes of its underdevelopment and retrogression. Discuss

**(15
Marks)**

.....**END**.....