

Tutorial letter 101/3/2014

Development Economics ECS3707

Semesters 1 AND 2

Department of Economics

IMPORTANT INFORMATION:

Please activate your *myUnisa* and *myLife* email addresses and ensure you have regular access to the *myUnisa* module site AFL1501-2013-S2 as well as your group site.

Note: This is an online module, and therefore your module is available on myUnisa. However, in order to support you in your learning process, you will also receive some study material in printed format.

BAR CODE

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1 INTRODUCTION

Dear Student

Greetings to you and welcome to

We are pleased to welcome you to the **online Development Economics** module and hope that you will find it both interesting and rewarding. We shall do our best to make your study of this module successful. You will be well on your way to success if you start studying early in the semester and resolve to do the assignments properly.

You will receive a number of tutorial letters during the semester. A tutorial letter is our way of communicating with you about teaching, learning and assessment.

Because this is a fully online module, you need to use myUnisa to study and complete the learning activities for this course. You need to visit the websites on myUnisa for ECS3707 frequently. The website for your module is ECS3707-14-S1.

1.1 To get started...

Because this is a fully online module, you need to go online to see your study materials and read what to do for the module. Go to the website here: <https://my.unisa.ac.za> and login with your student number and password. You will see ECS3707-14-S1 in the row of modules in the orange blocks across the top of the webpage. Remember to also check in the -more- tab if you cannot find it in the orange blocks. Click on the module you want to open.

In addition, you will receive this tutorial letter and a printed copy of the online study materials from your module. While these printed materials may appear to be different from the online study materials, they are exactly the same and have been copied from the online myUnisa website.

We wish you success on your journey!

2 OVERVIEW OF THIS MODULE: ECS3707

2.1 Purpose

The purpose of this module is to give you a thorough introduction to various important issues in economic development. The outcomes for the module are explained in detail in the study guide and include amongst others, reference to development problems, development planning and the role of international trade in developing economies.

The module is delivered via myUnisa, the Internet, peer group interaction, and community engagement in some of the activities. Your Lecturers will interact with students on myUnisa and via email.

2.2 Outcomes

For this module, there are several outcomes that we hope you will be able to accomplish by the end of the course:

The main outcomes of this module are the following:

- access, process and apply information from the study material to reflect critically on development issues
- explain the meaning of the concept “economic development”
- explain the most important theories of economic development and use them to analyse development problems
- analyse the challenges faced by the governments of developing countries with regard to the promotion of economic growth; the reduction of poverty, income inequality and rapid population growth; and the provision of education and health care
- understand the implications for developing countries of international trade and dependence upon foreign investment and foreign aid
- discuss the roles of markets and the state in the process of economic development

More detailed module outcomes can be found at the beginning of each study unit in your online study guide.

3 LECTURER AND CONTACT DETAILS

3.1 Lecturer

We, the lecturers who are responsible for this module, are available to assist you with any enquiries concerning the prescribed content. You may contact us as follows:

LECTURER	BUILDING & OFFICE NUMBER	TELEPHONE NUMBER	Email ADDRESS
Lötter, R. Ms Module leader	Club 1 Room 1-12	012 433-4705	bezuir@unisa.ac.za
Gamede, W. Ms	Club 1 Room 2-24	012 433-4643	gamednw@unisa.ac.za

You can also contact us by e-mail via *myUnisa*.

All queries that are not of a purely administrative nature **but are about the content of this module** should be directed to us. Please have your study material with you when you contact us.

The Primary Lecturer for this module is Ms R Lötter:

Department Economics
Telephone: 012 4334507
Email: bezuir@unisa.ac.za



3.2 Department

The Department of Economics has moved to Hazelwood. The physical address is Club 1 Building, Corner of Dely Road and Pinaster Avenue, Hazelwood, Pretoria. You will find the department's contact details in Tutorial Letter 301. You can also contact the department's coordinator, Mr Themba Mzangwa at 012 433-4661.

3.3 University

To contact the University, you should follow the instructions in the ***myStudies @ Unisa*** brochure. Remember to have your student number available when you contact the University.

When you contact the Lecturer, please do not forget to always include your student number. This will help the Lecturers to assist you.

4 MODULE RELATED RESOURCES

4.1 Prescribed book

Your prescribed textbook for this module for this year is:

Todaro, MP and Smith, SC. *Economic Development*, 2011. 11th edition. (Addison-Wesley is an imprint of) Pearson Education Limited: United Kingdom.

Please refer to the list of official booksellers and their addresses in *my Studies @ Unisa* brochure. Also see: <http://www.pearsoned.co.uk>

Prescribed books can be obtained from the University's official booksellers. If you have difficulty locating your book at these booksellers, please contact the Prescribed Book Section at telephone 012 429-4152 or e-mail vospresc@unisa.ac.za

4.2 Recommended books

There are no recommended books for this module.

4.3 Electronic Reserves (e-Reserves)

There are no e-Reserves for this module.

4.4 Joining myUnisa

If you have access to a computer that is linked to the internet, you can quickly access resources and information at the University. The *myUnisa* learning management system is Unisa's online campus that will help you to communicate with your lecturers, with other students and with the administrative departments of Unisa – all through the computer and the internet.

You can start at the main Unisa website, <http://www.unisa.ac.za>, and then click on the *myUnisa* orange block. This will take you to the *myUnisa* website. To go to the *myUnisa* website directly, go to <https://my.unisa.ac.za>. When you are on the *myUnisa website* click on the “Claim UNISA Login” at the right-hand side of the screen. You will then be prompted to give your student number to claim your initial myUnisa as well as myLife login details.

Please consult the publication ***my Studies @ Unisa*** which you received with your study material for more information on *myUnisa*.

5 STUDENT SUPPORT SERVICES

For information on the various student support systems and services available at Unisa (e.g. student counselling, tutorial support programme and classes, language support), please consult the publication ***my Studies @ Unisa*** that you received with your study material.

5.1 Contact with fellow students: Study groups

It is advisable to have contact with fellow students. One way to do this is to form study groups. You can get the names of other students in your area for the same modules by contacting the Department of Student Admission and Registration. For further information, please consult the ***my Studies @ Unisa*** brochure.

5.2 myUnisa

If you have access to a computer that is linked to the internet, you can quickly access resources and information at the university. The *myUnisa* learning management system is Unisa's online campus that will help you to communicate with your lecturers, with other students and with the administrative departments of Unisa – all through the computer and the internet.

To go to the *myUnisa* website, start at the main Unisa website, <http://www.unisa.ac.za>, and then click on “myUnisa” link on the top right-hand side of the screen. This should take you to the *myUnisa* website. You can also go there directly by typing in <https://my.unisa.ac.za>.

Please consult the *my Studies @ Unisa* brochure for more information.

An important resource on the module website on *myUnisa* is the discussion forum. Please make use of it. We are also in the process of building a module website with additional study material at www.econom.co.za.

5.3 Discussion classes

There are no discussion classes for this module.

5.4 Tutorial support programme

Unisa offers tutor services for students as additional academic support at the various Unisa regional learning centres throughout the country.

A tutorial is an organised session where students and tutor(s) meet regularly at a common venue and at scheduled times to discuss course material. The main purpose of the tutorial services is to facilitate student learning by developing the student's independent learning skills and assisting students to become motivated and independent learners. Tutorials help the students to develop and enhance their learning experience and academic performance through interaction with the tutor and fellow students. Tutorials are not compulsory. **Interested students are advised to consult a learning centre closest to them to enrol for tutorials.** For further information on learning centres and tutorials consult the brochure *my Studies @ Unisa*.

Note that tutors and e-tutors are not necessarily available for all modules and/or at all learning centres. The Department of Economics has no means of providing you with any tutorial support if you did not follow the abovementioned steps.

6 MODULE-SPECIFIC STUDY PLAN

6.1 Assignments and learning

Assignments are seen as part of the learning material for this module. As you do the assignment, study the texts, consult other resources, discuss the work with fellow students or tutors or do research, you are actively engaged in learning.

Looking at the assessment criteria given for this module, the five assignments will help you to understand what is required of you more clearly.

If you have access to the internet, you can view and download the study guides and tutorial letters for the modules for which you are registered on the university's online campus, *myUnisa*, (under the official study material folder) at <https://my.unisa.ac.za>.

6.2 General remarks

You will find in your *my Studies @ Unisa* brochure contact details regarding enquiries about assignments (e.g. whether or not the university has received your assignment or the date on which an assignment was returned to you). You might also find information on *myUnisa*.

Use your *my Studies @ Unisa* brochure for general time management and planning skills.

6.3 Feedback on assignments

You will receive the correct answers automatically for multiple-choice assignment questions (01 and 03). Assignment 02 and assignment 04 are self-assessment assignments. Please work thoroughly through the answers we will provide. Compare it with your answers as well. Feedback on assignments **will be uploaded on myUNISA to all students registered for this module**. The tutorial letter numbers will be 201 and, 202.

As soon as you have received the feedback, please check your answers. The assignments and the feedback on these assignments constitute an important part of your learning and should help you to be better prepared for the next assignment and the examination.

6.4 Learning strategy and proposed study programme

In this module, the emphasis is very much on the development of your understanding of different theories regarding the determination of output and income. Therefore, you will be exposed to a number of different concepts, such as the different assumptions which underlie the theoretical models, the interaction between the various development economics variables, the different analytical tools, and economic policy implications for development.

It is important that you have a thorough understanding of the different building blocks of the various models so as to gain a comprehensive picture of how the development economic works. Towards the end of the module, this picture will become clearer and logical.

Approach each study unit in the study guide as follows: First read the study unit outcomes which will help you to focus on the important aspects and issues in that unit. Work through each section of the study guide together with the relevant chapter in the textbook. Remember that the study guide serves to assist you to work through the contents of the text book. Make notes or summaries as you go along.

You will see that the activities test your understanding of the content and cover a range of the different type of questions that will be examined. You should also check your answers against the solutions provided. If you are not clear on certain concepts or theories, revise them before proceeding to the next study unit.

To help you to work on this module regularly and systematically, we provide a proposed study programme below and five assignments (see section 8.4 of this tutorial letter). The proposed study programme is based on the assumption that first-semester students will commence their studies before or during the last week of January and second-semester students before or during the third week of July. In each semester the period from the last day of registration to the start of the examination consists of only 15 weeks. Hence, it is critical that you should start working as soon as possible and continue to work regularly and systematically throughout the semester.

PROPOSED STUDY PROGRAMME: FIRST SEMESTER

STUDY WEEK	Week starting	STUDY UNIT(s) or study instruction
1	27 January	1 and 2
2	3 February	2 and 3
3	10 February	3 and 4
4	17 February	4 Complete and submit compulsory Assignment 01 <i>Closing date: 26 February 2014</i>
5	22 February 26 February	4 <i>Submit Assignment 01</i>
6	3 March	5 Start completing Assignment 02 It is a self-assessment assignment (Study units 1 to 4)
7	10 March	6 and 7
8	17 March	7 and 8
9	24 March	8
10	28 March 31 March	Complete and submit compulsory Assignment 03 <i>Closing date: 28 March 2014</i>
11	7 April	Start completing Assignment 04 It is a self-assessment assignment (Study units 5 to 8)
12	14 April	The self-assessment questions are good examples of examination questions
13	21 April	Finalise Assignment 04
14	28 April	Prepare for examination
15	5 May	Prepare for examination

PROPOSED STUDY PROGRAMME: SECOND SEMESTER

STUDY WEEK	Week starting	STUDY UNIT(s) or study instruction
1	14 July	1 and 2
2	21 July	2
3	28 July	3
4	4 August	4
5	11 August	4 Complete and submit compulsory Assignment 01 <i>Closing date: 22 August 2014</i>
6	18 August 22 August	<i>Submit Assignment 01</i>
7	25 August	5 Start completing Assignment 02 It is a self-assessment assignment (Study units 1 to 4)
8	1 September	6
9	8 September	7
10	15 September	7 and 8 Start completing compulsory Assignment 03 <i>Closing date: 26 September 2014</i>
11	22 September 26 September	8 <i>Submit Assignment 03</i>
12	29 September	Start completing Assignment 04 It is a self-assessment assignment (Study units 5 to 8)
13	6 October	The self-assessment questions are good examples of examination questions. Finalise Assignment 04
14	13 October	Prepare for examination

7 Assessment

7.1 Assessment plan

Assessment will be done by the module leader and, where applicable, the module team and/or the examiner(s). The name(s) of examiner(s) will also be indicated on examination question papers.

7.1.1 Assessment of assignments

Assessment criteria used for the assignments will be done as follows: the multiple-choice questions in Assignments 01 and 03 can be answered **online and marked electronically or by using a mark reading sheet**. No marks will be deducted for incorrect answers. Assignment 02 and 04 are written self-assessment assignments.

Note that assignment 01 is compulsory. The first assignment will contribute 40% to the semester mark and the third assignment 60% .

Please note: Although students may work together when preparing assignments, each student must submit his or her own individual assignment. Any form of plagiarism may lead to penalisation or you may be subjected to disciplinary proceedings by the university.

7.1.2 Assessment of examination

For general information and requirements as far as examinations are concerned, see the brochure *my Studies @ Unisa* which you received with your study material.

Please note that the applications for, and the administration of re-marks of examination scripts are handled solely by the Examination department and not academic departments.

7.1.3 Examination admission

Please note that submission of Assignment 01 is compulsory to gain admission to the examination. Two assignments will contribute towards the semester and final marks.

7.2 Semester mark

Your semester mark is based on your assignment marks. The two assignments that you submit during the semester contribute towards your semester mark. Different weights are allocated to the assignments. The first assignment contributes 40%, the third assignment 60% to your semester mark. If an assignment is not submitted or submitted late (for whatever reason), zero marks are awarded for such assignment.

7.2.1 The examination mark

The percentage achieved in the examination is used in the calculation of your final mark.

7.2.1 Final mark

The weight of the assignments will be 20% while the examination's weight is 80%.

Your final mark is calculated as follows:

Semester mark (out 100) x 20% + Examination mark (out 100) x 80%

For example:

Suppose your semester mark is 46% and you get 60% in the examination. Your final mark will be:

$$\begin{aligned} & (46 \times 20\%) + (60 \times 80\%) \\ &= (46 \times 0.2) + (60 \times 0.8) \\ &= 9.2 + 48 \\ &= 57.2\% \end{aligned}$$

7.3 General assignment numbers

Assignments are numbered consecutively per module, starting from 01. In this module there are four assignments per semester, namely 01, 02, 03 and 04.

7.3.1 Unique assignment numbers

In addition to the general assignment number (e.g. 01 or 03); each assignment (multiple-choice questions or written assignments) must have its own unique assignment number (e.g. 102717). In this module assignments 01 and 03 consist of only multiple-choice questions and must be submitted **online or using a mark reading sheet** - with an own unique assignment number. Assignment 02 and 04 are self-assessment assignments that must not be submitted and have therefore no unique assignment numbers.

7.3.2 Due dates of assignments

Please note that the due dates for the submission of assignments to Unisa are indicated in the proposed study programme as well. The last ten questions of Assignment 01 are designed to obtain information required for the compilation of a student profile for this module. Your kind cooperation is requested, as this information assists the department in its ongoing efforts to ensure quality tuition. Your marks for this assignment will be based on your answers to content questions.

Please note: Although students may work together when preparing assignments, each student must write and submit his or her own individual assignment. In other words, you must submit your own ideas in your own words, sometimes interspersing relevant short quotations that are properly referenced. It is unacceptable for students to submit identical assignments on the basis that they worked together. That is copying (a form of plagiarism) and none of these assignments will be marked. Furthermore, you may be penalised or subjected to disciplinary proceedings by the university.

SEMESTER 1: ASSIGNMENT SUBMISSION DATES

Assignment number	Unique number	Closing date	Contents of assignments	Type of assignment	Weight
01	386310	26 February 2014	Study units 1 - 4	Multiple-choice	40
02	No unique number	Self-assessment Please do not submit	Study units 1 - 4	Written	0
03	386227	28 March 2014	Study units 5 - 8	Multiple-choice	60
04	No unique number	Self-assessment Please do not submit	Study units 5 - 8	Written	0

SEMESTER 2: ASSIGNMENT SUBMISSION DATES

Assignment number	Unique number	Closing date	Contents of assignments	Type of assignment	Weight
01	238016	8 September 2014	Study units 1 - 4	Multiple-choice	40
02	No unique number	Self-assessment Please do not submit	Study units 1 - 4	Written	0
03	238356	26 September 2014	Study units 5 - 8	Multiple-choice	60
04	No unique number	Self-assessment Please do not submit	Study units 5 - 8	Written	0

7.4 Submission of assignments

ONLINE - electronically via *myUnisa*.

OR

Written using a mark reading sheet - You may submit written assignments either by post or electronically (preferred method) via *myUnisa*. **Assignments may not be submitted by fax or e-mail.**

For detailed information on assignments, please refer to the *myStudies @ Unisa* brochure.

To submit an assignment via *myUnisa*:

- Go to *myUnisa*.
- Log in with your student number and password.
- Select the module.
- Click on assignments in the menu on the left-hand side of the screen.
- Click on the assignment number you wish to submit.
- Follow the instructions on the screen.

For detailed information on assignments, please refer to the *my Studies @ Unisa* brochure.

If you experience any problems to submit your assignment electronically via *myUnisa*, please send an e-mail to ICT-Help@unisa.ac.za – with your student number in the subject line.

8 CONCLUSION

Do not hesitate to contact your lecturer by email if you are experiencing problems with the content of this tutorial letter or any aspect of the module.

I wish you a fascinating and satisfying journey through the learning material and trust that you will complete the module successfully.

Enjoy the journey!

ECS3707	Semester 1
Compulsory Assignment 01	
Study Unit	1 to 4
Due date	26 February 2014
Unique number	386310

This assignment contributes 40% towards your semester mark. Remember: To gain admission to the examination Assignment 01 must be submitted on or before the due date. Please ensure that this assignment reaches the University on or before the due date.

Assignment 01 consist of 40 multiple choice questions;

- The first 30 questions (i.e. numbers 1.1 to 1.30) of this assignment are based on study units 1 to 4 in the study guide.
- The last ten questions are designed to obtain information from you in order to establish a student profile for this module. No marks will be awarded for these questions but your responses will amongst others, assist us in our quality assurance efforts.

CHOOSE THE CORRECT OPTION

1.1 Development Economics is concerned with

- [1] the efficient allocation of productive resources
- [2] the production of an expanding range of goods and services
- [3] improvement in the levels of living
- [4] all of the above

1.2 Select the correct statement(-s):

- a. Economics is concerned with human beings and their social systems
- b. Normative value premises is a central feature of Traditional Economics but not in Development Economics
- c. Disciplines such as Economics, Chemistry and Physics needs to be value-free
- d. A social system is the interdependent relationship between economic and non-economic factors.

- [1] a and d
- [2] c and d
- [3] a and c
- [4] b and d
- [5] a and b

1.3 Today the term “development” refers to

- [1] levels and rates of growth of real per capita GNI.
- [2] the planned alteration of the structure of production and employment.
- [3] a multidimensional change of an entire social system to improve the quality of life for all.
- [4] Rapid industrialization with a trickle-down effect in the form of jobs and economic opportunities.
- [5] less economic growth and more focus on the environment.

1.4 Select the correct statement(-s):

- a. According to Amartya Sen, the characteristics of a commodity matter more than the utility of such a commodity.
- b. In terms of Sen’s theory, disparity between measured real incomes and the actual advantages, are always caused by personal heterogeneities.
- c. Resources within a family are sometimes unevenly shared.
- d. A sense of worth and self-respect is one of the core values of development.

- [1] a and b
- [2] c and d
- [3] a and c
- [4] b and d
- [5] a and d

1.5 Which measure uses a common set of international prices for all goods and services produced?

- [1] purchasing power parity income levels
- [2] GNP price deflators
- [3] foreign exchange rate conversions to U.S. dollars
- [4] the exchange rate
- [5] none of the above

1.6 The Human Development Index (HDI):

- [1] ranks all countries on a scale of 1 (highest human development) to 10 (lowest human development).
- [2] measures knowledge as a weighted average of adult literacy and mean years of schooling.
- [3] has undergone a number of changes since its inception, making it too complicated to be calculated by students.
- [4] is an objective tool of quality that does not make value judgements.
- [5] ranks countries in the same order as a ranking of real GDP per capita.

1.7 A country has a Human Development Index of 0.93. This country is most likely to have

- [1] a small proportion of its population engaged in the tertiary sector.
- [2] low levels of literacy.
- [3] a rapid rate of population growth.
- [4] a high level of life expectancy.

1.8 Which of the following is meant by growth in the context of economic growth and development?

- [1] Growth of gross national product in money terms
- [2] Growth of per capita income in money terms
- [3] Growth of gross national product in real terms
- [4] Growth of per capita income in real terms

1.9 The common feature of the Harrod-Domar Model and Solow Model is that both models

- [1] assume a fixed savings rate.
- [2] are short run models.
- [3] are long run models.
- [4] assume diminishing returns.
- [5] assume increasing returns.

1.10 The assumption of the Harrod-Domar model of economic growth is that the

- [1] level of technology changes over time.
- [2] capital-output ratio changes over time.
- [3] savings-ratio changes over time.
- [4] capital-output ration is constant over time.
- [5] export growth is constant over time.

1.11 In the Lewis model

- [1] surplus labour is assumed to exist in the rural areas.
- [2] capitalists are assumed to reinvest their profits, further increasing the demand for labour.
- [3] unemployment is assumed to exist in urban areas.
- [4] all of the above
- [5] only [1] and [2]

1.12 Which of the following are NOT among Rostow's stages of growth?

- [1] The drive to maturity
- [2] The age of mass consumption
- [3] The traditional society
- [4] The take off
- [5] The modern economy

1.13 In the neocolonial dependence model, the world can be thought of as divided into

- [1] the "center" and the "periphery."
- [2] the ' First World', "Second World" and "Third World".
- [3] producers and consumers.
- [4] absolutonists and neo-revisionists.
- [5] the "north" and the "south".

1.14 According to the Solow model, the only way to drive economic growth in the long run is to:

- [1] increase both the savings rate and labour hours.
- [2] increase the savings rate
- [3] increase the labour hours
- [4] increase the amount of capital equipment.
- [5] progress technologically.

1.15 In a steady state with population growth and technological progress

- [1] the capital share of income increases.
- [2] the labour share of income increases.
- [3] sometimes the capital share increases and sometimes the labour share increases.
- [4] the capital and labour shares of income are constant.
- [5] None of the above

1.16 The growth theory that predicts perpetual economic growth is

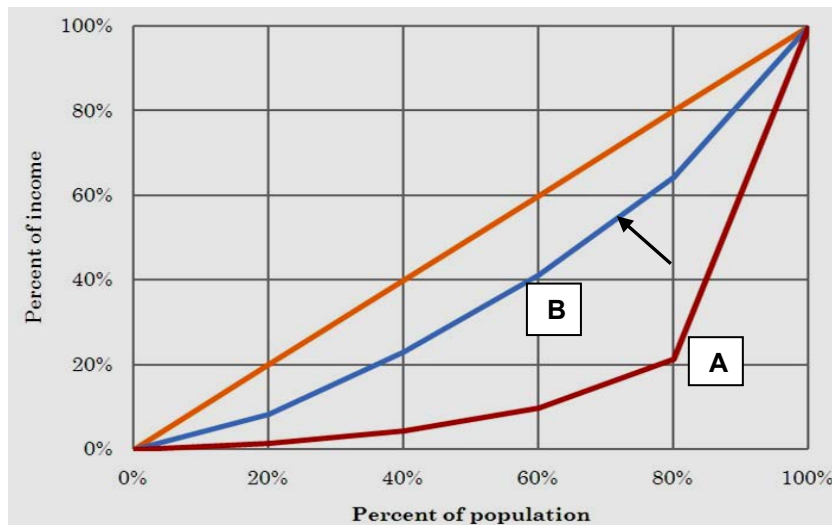
- [1] the new growth theory.
- [2] neo classical growth theory.
- [3] real growth theory.
- [4] dualistic growth theory.
- [5] the false paradigm theory.

1.17 Select the correct statement (-s):

- a. The new growth theory was developed to explain why capital flowed from poor to rich nations even after trade liberalization.
- b. Endogenous growth models adopted the same underlying assumptions as the neoclassical theories.
- c. The new growth theory emphasises the importance of savings and human capital investment for rapid growth.
- d. New growth theories failed in their attempt to explain anomalous international flows of capital that increase wealth disparities.

- [1] a and b
- [2] c and d
- [3] a and c
- [4] b and d
- [5] a and d

1.18 Referring to the Lorenz curves in the figure below, which statement best describes the changes that occur in a country that moves curve A to curve B?



- [1] The amount of inequality in this country has increased.
- [2] The income share of the wealthiest 20 percent share has gone up.
- [3] The amount of inequality in this country has decreased.
- [4] The number of people living below the poverty line has increased.
- [5] The functional distribution of income has decreased.

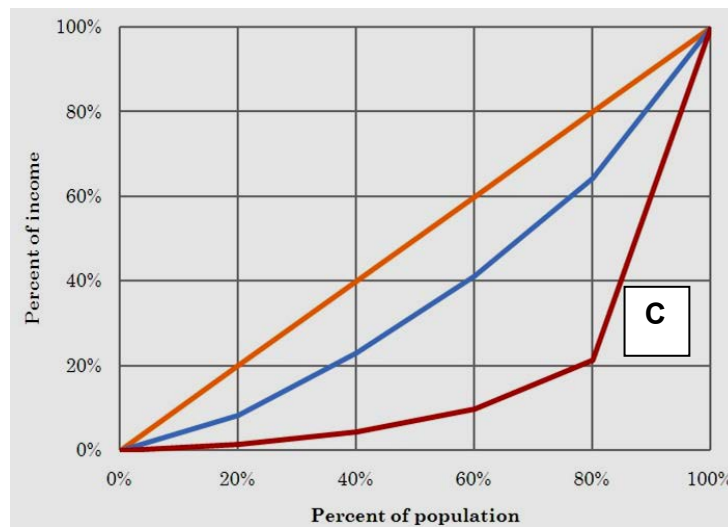
1.19 What is meant by absolute poverty?

- [1] That level of poverty at which people cannot access the basic necessities for survival.
- [2] That level of poverty at which some people are poor in relation to others who are well off.
- [3] That level of poverty at which people have incomes below the official poverty line.
- [4] That level of poverty at which people do not have access to v education.

1.20 Assuming their Lorenz curves do not cross, if Country A's Gini coefficient is 0.79 and Country B's Gini coefficient is 0.36, we can conclude that

- [1] Country A is most likely a country with a history of socialism or communism.
- [2] population density is higher in Country A than in Country B.
- [3] population density is lower in Country A than in country B.
- [4] income is distributed less equally in Country A as compared to Country B.
- [5] income is more equally distributed in Country A as compared to Country B.

1.21 The total poverty gap is



- [1] consumption measured in dollar terms necessary to bring everyone below the poverty line up to the line.
- [2] absolute number of people below the international poverty line.
- [3] percentage of the population below the international poverty line.
- [4] percentage of a country's total consumption necessary to bring everyone in the economy below the poverty line.

1.22 The Kuznets hypothesis states that as economic development proceeds, inequality first:

- [1] decreases, then increases before remaining high.
- [2] increases, then decreases, before remaining low.
- [3] increases, then flattens out, before rising again.
- [4] increases, then decreases, then increases, then decreases

1.23 According to Lorenz curve **C** in the figure below the poorest 60 per cent of households have about a

- [1] 20% share in the nation's income.
- [2] 10% share in the nation's income.
- [3] 40% share of the nation's income.
- [4] 60% share of the nation's income.
- [5] 80% share of the nation's income.

1.24 Government tax and transfer payments generally

- [1] have no effect on the Lorenz curve.
- [2] have no impact on the Gini coefficient.
- [3] shift the Lorenz curve toward the line of equality.
- [4] shift the Lorenz curve away from the line of equality.
- [5] shift the Lorenz curve from the line of equality at low incomes and toward the equality line at high incomes.

1.25 The hidden momentum of population growth is caused by

- [1] children's contribution to income
- [2] family planning programs.
- [3] demographic transition.
- [4] a population's age structure.
- [5] net international migration

1.26 Malthus argued that the poor would always remain poor because

- [1] population growth tends to outrun growth of food production.
- [2] there are not enough resources to educate all.
- [3] they do not save enough.
- [4] induced migration.
- [5] all of the above.

1.27 Which of the following is a direct implication of the view that childbearing is an economic decision?

- [1] Fertility should fall with improved opportunities for women to work in jobs outside the home.
- [2] Compulsory education will increase fertility by raising each child's prospective earnings.
- [3] People will not have additional children unless they can earn a profit from doing so.
- [4] Social factors have no effect on childbearing decisions.
- [5] There is no direct implication of the view that childbearing is an economic decision?

1.28 Which of the following is *not* generally considered to be one of the major negative consequences of rapid population growth?

- [1] Environmental degradation
- [2] Decreased legal international migration
- [3] Lower per capita income growth
- [4] Higher infant mortality growth
- [5] all of the above

1.29 According to the microeconomic household theory of fertility, children in poor societies are seen, at least in part, as economic investment goods because

- [1] children provide labour income to the family.
- [2] unlike ordinary investment goods, children do not depreciate.
- [3] children act as parent's social security or old age pension.
- [4] [1] and [2]
- [5] [1] and [3]

1.30 The number of live births per thousand persons in a year is termed as

- [1] family planning.
- [2] crude birth rate.
- [3] death rate.
- [4] total fertility rate.
- [5] rate of population increase.

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- [1] No.
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End of assignment 01

ECS3707	Semester 1
Compulsory Assignment 03	
Study Unit	5 to 8
Due date	28 March 2014
Unique number	386227

This assignment contributes 60% towards your semester mark. Remember: To gain admission to the examination Assignment 01 must be submitted on or before the due date. Please ensure that this assignment reaches the University on or before the due date.

Assignment 03 consists of 20 multiple choice questions. These 20 questions (i.e. numbers 3.1 to 3.20) of this assignment are based on study units 5 to 8 in the study guide.

3.1 Human capital development requires investment

- [1] capital-saving technological progress.
- [2] by the World Health Organisation to improve education and health in developing countries.
- [3] in better education and training to improve skills
- [4] capital- augmenting technological progress
- [5] none of the above

3.2 A country's human capital increases

- [1] if its workers become better educated or healthier.
- [2] only if its workers become better educated.
- [3] only if its workers become healthier.
- [4] none of the above is correct.
- [5] all of the above

3.3 Which of the following are residents of rich countries likely to have in greater quantities, or better quality, than residents of poor countries?

- [1] education
- [2] housing
- [3] healthcare
- [4] life expectancy
- [5] all of the above.

3.4 Research has shown that

- [1] South Africa is becoming one of the fattest countries in the world.
- [2] the more educated a mother is, the healthier will her children be.
- [3] increases in income may lead to a substitution towards more less nutritional “junk food”.
- [4] Mexico’s “Progresa” can be seen as a successful conditional cash transfer program.
- [5] all of the above

3.5 What occupation do most child labours do?

- [1] Domestic service occupations
- [2] Mining occupations
- [3] Agricultural occupations
- [4] Trash collecting occupations
- [5] Manufacturing occupations

3.6 Which of the following best describes a “push factor” that would cause rural people, of developing countries, to leave their farms and migrate to cities?

- [1] Decreasing land cost for farmers/
- [2] Job opportunities in the manufacturing sector.
- [3] Access to services and education opportunities in cities.
- [4] Guest worker policies in the developed world.
- [5] Civil war and armed conflict.

3.10 Suppose migrants are risks averse. When the Haris-Todaro model is in equilibrium the expected urban wages will be

- [1] greater than the rural wage rate.
- [2] equal to the rural wage rate.
- [3] less than the rural wage rate.
- [4] equal to the cost of migration.
- [5] none of the above

3.11 Which of the following best described foreign direct investment (FDI)?

- [1] A firm's direct investment in production and/or service activities abroad.
- [2] The purchasing of foreign securities by USA, EU Japan and China.
- [3] The purchasing of foreign securities by the people of South Africa in the USA, EU, Japan and China.
- [4] Avoidance of brokers or other financial intermediaries when making foreign investments.
- [5] none of the above

3.12 Which of the following can be a distadvantage to the host country of MNC investrment?

- [1] Transfer pricing - multinationals will always aim to reduce their tax liability to a minimum.
- [2] Crowding out - if overseas firms borrow in the domestic economy this may reduce access to funds and increase interest rates.
- [3] Low skilled employment – the jobs created in the local environment may be low-skilled with the multinational employing expatriate workers for the more senior and skilled roles.
- [4] Influence and policital pressure -multinational investment can be very important to a country and this will often give them a disproportionate influence over government and other organisations in the host country.
- [5] all of the above

3.13 Which of the following can be a advantage to the host country of MNC investment?

- [1] Crowding out - if overseas firms borrow in the domestic economy this may reduce access to funds and increase interest rates.
- [2] Improving balance of payments - inward investment will usually help a country's balance of payments situation.
- [3] Access to natural resources - multinationals will sometimes invest in countries just to get access to a plentiful supply of raw materials and host nations are often more concerned about the short-term economic benefits than the long-term costs to their country in terms of the depletion of natural resources.
- [4] Uncertainty - multinational firms are increasingly 'footloose'. This means that they can move and change at very short notice and often will
- [5] Exporting Profits - large multinational are likely to repatriate profits back to their 'home country', leaving little financial benefits for the host country.

3.14 Identify which of the following statement(s) concerning political motivation is TRUE.

- [1] The U.S. and Djibouti have forged strong ties in recent years and Foreign Aid from the U.S. plays a leading economical role to combat agglomeration at the Horn of Africa.
- [2] The U.S. and Djibouti have forged strong ties in recent years and Foreign Aid from the U.S. plays a leading economical role to build global factories at the Horn of Africa,
- [3] The U.S. and Djibouti have forged strong ties in recent years and Foreign Aid from the U.S. plays a leading political role to establish Habitat for Humanity at the Horn of Africa.
- [4] The U.S.A and Djibouti have forged strong ties in recent years and Foreign Aid from the U.S. plays a leading political in fighting terrorism at the Horn of Africa,
- [5] [1] and [2]

3.15 A motivation of developed countries in providing development assistance is

- [1] the creation of markets.
- [2] geopolitical influence.
- [3] genuine humanitarian concern.
- [4] all of the above
- [5] all but one of the above

3.16 Which of the following is **not** a common reason for failures of economic plans in developing countries?

- [1] Conflict, post conflict and fragile states.
- [2] Insufficient data
- [3] Lack of political will
- [4] Unanticipated economic disturbances, external and internal.
- [5] all of the above are common reasons form plan failure.

3.17 Market failure

- [1] involves the difficulties that many developing countries encounter when attempting to operate a stock market.
- [2] is a surprisingly rare occurrence in the developing world.
- [3] a justification for government intervention in the developing world.
- [4] only [2] and [3]
- [5] none of the above

3.18 The rationale for development planning exists because

- [1] developing countries tend to have both high market and government failure.
- [2] governments have a shopping list of projects and it will equip them better to solicit foreign assistance and to spend the money wisely.
- [3] developing countries cannot afford to waste their limited financial and human resources.
- [4] it will enlighten central government's economic plan across class, racial, religious and tribal factions.

3.19 While central planning went overboard in suppressing the private market economy, the Washington Consensus runs the danger of

- [1] Placing too much emphasis on the possibilities of poverty traps.
- [2] denying the government its rightful role in providing an important range of public goods.
- [3] forming agreements between the Word Bank and IMF to restrict loans to developing counties.
- [4] placing to much emphasis on the social benefits of structural reforms.
- [5] all of the above.

An agreement by the World Bank and the IMF to restrict investment loans to countries with inward-oriented economic policies

3.20 What is meant by the "Washington Consensus"?

- [1] The consensus in Washington about foreign policy.
- [2] The ten point neo-liberal guideline for progress in the USA.
- [3] The ten point guideline to liberal economic reform for development around the world.
- [4] The ten point guideline for economic growth in Europe (EU).
- [5] The consensus in Washington about matters of fiscal policy.

☞☞ End of assignment 03 ☞☞

ECS3707	Semester 2
Compulsory Assignment 01	
Study Unit	1 to 4
Due date	8 September 2014
Unique number	238016

This assignment contributes 20% towards your semester mark. Remember: To gain admission to the examination Assignment 01 must be submitted on or before the due date. Please ensure that this assignment reaches the University on or before the due date.

Assignment 01 consist of 40 multiple choice questions;

- The first 30 questions (i.e. numbers 1.1 to 1.30) of this assignment are based on study units 1 to 4 in the study guide.
- The last ten questions are designed to obtain information from you in order to establish a student profile for this module. No marks will be awarded for these questions but your responses will amongst others, assist us in our quality assurance efforts.

CHOOSE THE CORRECT OPTION

1.1 The World Bank classify countries as more or less developed based on the

- [1] Human Development Index.
- [2] poverty rate.
- [3] level of income per capita
- [4] types of goods services that a country produce.
- [5] None of the above

1.2 A subsistence economy is

- [1] a country with low Gini coefficient.
- [2] an economy in which people receive food as payment.
- [3] a low income per capita economy.
- [4] an economy in which people consume what they make.
- [5] All of the above

1.3 According to A. Sen, famines are most likely to occur on an account of

- [1] a decrease in the production of agricultural goods.
- [2] adverse weather conditions.
- [3] a breakdown in the distribution of agricultural goods.
- [4] an increase in the money supply.
- [5] all of the above

1.4 A good definition of the meaning development includes the

- [1] elimination of relative poverty.
- [2] improvement of national income.
- [3] fulfillment of the potential of individuals.
- [4] raisings people's level of freedom.
- [5] all of the above

1.5 According to the HDI figures below which country is the most developed.

	Relative HDI ranking	HDI value	Real GDP per capita	GDP rank minus HDI rank	Gini coefficient
Tanzania	162	0.430	674	+13	0.346
Nigeria	159	0.448	1 154	-1	0.437
South Africa	121	0.653	11 192	-66	0.578
Chile	38	0.859	10874	+18	0.571

- [1] Chile
- [2] Tanzania
- [3] South Africa
- [4] Nigeria
- [5] South Africa is more developed than Chile

1.6 In terms of inequality, which country(s) has the most equal distribution of income?

- [1] Chile
- [2] Tanzania
- [3] South Africa
- [4] Nigeria
- [5] Chile and Nigeria

1.7 In terms of GDP rank minus HDI rank, which country is worst off when considering what is expected of a country?

- [1] Chile
- [2] Tanzania
- [3] South Africa
- [4] Nigeria
- [5] Tanzania and Nigeria

1.8 Select the correct statement

- [1] Developing countries that have achieved their growth targets have not always succeeded in improving the living standard of the masses of their people.
- [2] The new economic view of development denies that economic growth is important for development.
- [3] At this stage, it is certain that none of the Millennium Development Goals will be met by 2015.
- [4] All of the above
- [5] None of the above

1.9 The Millennium Development Goals includes:

- [1] Address special needs of landlocked countries and small island developing states.
- [2] Integrate the principles of sustainable development into policies.
- [3] Eliminate disparity in primary and secondary education.
- [4] Eliminating the portion of people living on less than \$1 per day.
- [5] all of the above.

1.10 Consider the Harrod-Domar model, suppose that initially, a developing country's capital output ratio (k) is 3, and the savings rate (s) is 12%. What would the initial GDP growth rate be?

- [1] 12%
- [2] 4%
- [3] 3,6%
- [4] 6%
- [5] none of the above

1.11 According to the Harrod-Domar model,

- [1] there is surplus labour in the agricultural sector that can be used to fuel economic growth.
- [2] the proletariat must overthrow the capitalists and establish a socialist state before economic growth can occur.
- [3] economic growth depends on savings and investment.
- [4] economic growth depends on wise public investment decisions by the government.
- [5] the developing world is caught in a dependent relationship with developed world.

1.12 Which of the following is a criticism of the neoclassical counter-revolution school's approach?

- [1] Markets are not competitive in developing countries.
- [2] Inequality may worsen when interventions are removed in developing countries.
- [3] Externalities are common in developing countries.
- [4] It only favours supply-side macroeconomic policies.
- [5] all of the above

1.13 The Lewis model of a dual economy makes the following assumption(s)

- [1] The marginal productivity of rural labour is zero or negative.
- [2] The rural wage initially remains constant.
- [3] Industry makes a profit by employing cheap labour.
- [4] Rural wage will rise when industry expands sufficiently
- [5] all of the above

1.14 Public choice theory argues that from an economic development perspective.

- [1] socialism is usually an effective way to foster economic development.
- [2] the best government is a small government.
- [3] the typical bureaucrat is actually interested in the welfare of the nation as a whole.
- [4] the best government is a large government.
- [5] none of the above

1.15 The linear stages theory of economic growth fails to recognize that increased investment is

- [1] both a necessary and sufficient condition.
- [2] a necessary but not sufficient condition.
- [3] a sufficient but not necessary condition.
- [4] neither a necessary nor sufficient condition.
- [5] none of the above.

1.16 The steady state in the Solow growth model with no exogenous growth is defined as a situation in which

- [1] savings equals zero.
- [2] aggregate variables are constant.
- [3] aggregate variables grow at a constant and equal rate.
- [4] per capita variables grow at a constant and positive rate.
- [5] aggregate variables grow at a constant rate but cross rates differ.

1.17 In the Solow growth model, the new equilibrium after an increase in the savings rate has

- [1] a higher growth rate of per capita variables.
- [2] the same growth rate of per capita variables as in the old equilibrium.
- [3] a lower per capita output level.
- [4] both [2] and [3]
- [5] both [1] and [3]

1.18 One the main points of the endogenous growth theory are?

- [1] Government policy should encourage entrepreneurship as a mean of creating employment opportunities, investment and innovation.
- [2] The new growth theory emphasises the importance of population growth.
- [3] Technological progress is only influenced by cross country spillovers.
- [4] An Autarky economic policy applies to endogenous growth.
- [5] There are increasing returns to scale from capital investment.

1.19 The Human Poverty index measures poverty in terms of which three “deprivations”?

- [1] economic provisioning, life, and political freedom.
- [2] economic provisioning, basic education, and life.
- [3] basic education, economic provisioning, and civil liberties.
- [4] income inequality, life, and basic education.
- [5] economic provisioning, civil liberties, and political freedom.

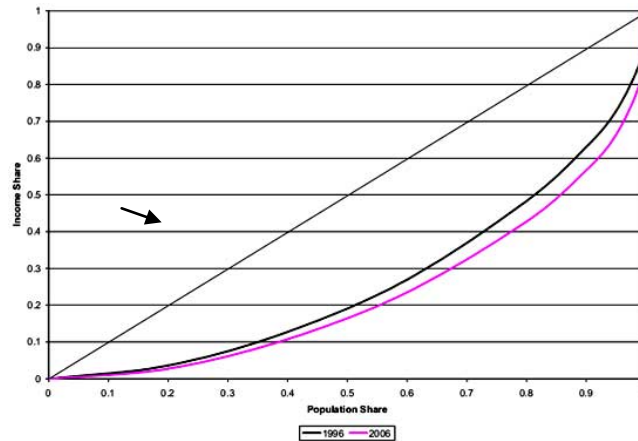
1.20 The poverty gap

- [1] measures the difference between a person’s basic daily calories actually consumed.
- [2] gives a better indication of the depth of poverty than a simple headcount index.
- [3] measures the total amount of income necessary to raise everyone who is below the poverty line up to the poverty line.
- [4] measures how many people are below an agreed-upon poverty line, but tells us nothing about the depth of poverty.
- [5] both [2] and [3]

1.21 To draw a Lorenz curve showing the distribution of income, one should first rank all households according to

- [1] household size.
- [2] income per capita.
- [3] wage levels.
- [4] ages per household.
- [5] headcount index

Study the Lorenz curve below and answer Questions 1.22 and 1.23



1.22 Which of the following statement(s) are true?

- [1] Further bowed to right means more income inequality
- [2] Deciles are 10% portion of any numerical quantity.
- [3] The Gini coefficient is a number between zero and one that is a measure of inequality.
- [4] The straight diagonal line indicates perfect income quality.
- [5] all of the above

1.23 Which of the following statement(s) are true?

- [1] A shift in Lorenz curve to right indicates that the Gini coefficient has decreased.
- [2] A movement along the Lorenz curve to right indicates that the Gini coefficient has decreased.
- [3] A movement to the left along the Lorenz curve indicates that the Gini coefficient has decreased.
- [4] A shift in Lorenz curve to right indicates that the Gini coefficient has increased.
- [5] none of the above

1.24 According to the inverted U hypothesis of Kuznets, as economies develop

- [1] income inequality first rises and later declines.
- [2] the population growth rate first rises and later falls.
- [3] industry's share of GNP first rises and later falls.
- [4] average household's income first fall and later rise.
- [5] supply of labour first falls and later rises.

1.25 The three stage process of population growth is historically known as the

- [1] implosion growth curve
- [2] exponential growth curve.
- [3] demographic equation.
- [4] demographic transition.
- [5] population poverty cycle.

1.26 Which of the following is a direct implication of the view that childbearing is an economic decision?

- [1] Fertility should decrease with increased opportunities for women to find work in jobs outside their homes.
- [2] Compulsory education will increase fertility by raising each child's prospective earnings.
- [3] Women will not have additional children unless they can earn profit from doing so.
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- [5] all of the above.

1.27 Criticism of the Malthusian model includes:

- [1] a hypothesis based on a macro relationship between population growth and levels of per capita income that does not stand up to empirical testing of the modern period.
- [2] that the model focuses on the wrong variable, per capita income.
- [3] ignorance of modernisation, medicine and public health programmes.
- [4] that the model ignores the impact of technological progress.
- [5] all of the above

1.28 Children have cost benefits to parents, and

- [1] fathers and mothers share these cost equally.
- [2] the impact of family income is always negative.
- [3] there is trade off to parents between quantity and quality of children.
- [4] the income elasticity of demand for children is strongly negative.
- [5] none of the above.

1.29 Compared to developed countries, developing countries have

- [1] higher birth rates and lower death rates.
- [2] higher birth rates and higher death rates.
- [3] lower birth rates, and lower death rates.
- [4] lower birth rates and higher death rates.
- [5] a hidden momentum of population growth

1.30 Historically, a low population growth rate were maintained because of

- [1] high mortality rates.
- [2] low fertility rates.
- [3] migration from developing countries.
- [4] household theory of infertility.
- [5] government restrictions on the number of children families can have.

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End of assignment 01

ECS3707	Semester 2
Compulsory Assignment 03	
Study Unit	5 to 8
Due date	26 September 2014
Unique number	238356

This assignment contributes 60% towards your semester mark. Remember: To gain admission to the examination Assignment 01 must be submitted on or before the due date. Please ensure that this assignment reaches the University on or before the due date.

Assignment 03 consists of 20 multiple choice questions. These 20 questions (i.e. numbers 3.1 to 3.20) of this assignment are based on study units 5 to 8 in the study guide.

3.1 Which one of the following statements defines “Literacy rate”:

- [1] Total literate people divided by total population
- [2] Total literate population divided by total population.
- [3] It measures the proportion of literate population in the 7 years and above age group.
- [4] proportion of literate population in the 18 years above age group.
- [5] none of the above

3.2 Sources of productivity growth can come from

- [1] more capital used in production activities.
- [2] investment in human capital.
- [3] technological advances.
- [4] health.
- [5] all of the above

3.3 Human capital is the

- [1] knowledge and skills that workers acquire through education, training, and experience.
- [2] stock of equipment and structures that is used to produce goods and services.
- [3] total number of hours worked in an economy.
- [4] same thing as technological knowledge.
- [5] all of the above

3.4 Closing the educational gender gap is widely considered to be economically desirable because

- [1] it lowers fertility and greatly improves child health.
- [2] it would help lessen poverty, since women are less likely to be impoverished than men.
- [3] increasing women's education increases their productivity.
- [4] the rate of return on women's education is higher than that of men's in most developing countries.
- [5] all of the above

3.5 Which of the following statements are not true?

- [1] Education is important for the formation and training of health personnel.
- [2] Death of school-age children also increases the cost of education per worker.
- [3] Longer life spans raise the return to investments in education.
- [4] Education does not affect childbearing years.
- [5] Health is an important factor for school attendance.

3.6 Urbanisation is best defined as

- [1] the growth in the population of urban areas as a result of several factors.
- [2] the increase in the proportion of the population living in urban areas.
- [3] people moving from urban areas to rural areas.
- [4] people moving from rural areas to urban areas.
- [5] none of the above

3.7 Expanding urban employment opportunities will, according to the Harris-Todaro Model, do the following:

- [1] Have no effect on rural-urban migration.
- [2] Be self defeating as it will eventually increase unemployment in cities.
- [3] Reduce unemployment in cities.
- [4] Increase the current account deficit.
- [5] none of the above

3.8 The rapid rate of urbanisation are associated with

- [1] small geographical movements of people.
- [2] better use of infrastructure such as road and rail networks.
- [3] the growth of new religious movements.
- [4] spread of rational values.
- [5] all of the above

3.9 In a non Harris-Todaro world which choice of techniques is likely to reduce poverty if it is observed that poverty is highly correlated to unemployment.

- [1] Labour intensive techniques
- [2] Capital intensive techniques.
- [3] Profit maximisation techniques.
- [4] Natural technological progress.
- [5] none of the above

3.10 According to The Todaro Migration Model

- [1] migrants calculate future value of urban expected income and stay if it exceeds average rural income.
- [2] marginal cost equals marginal revenue and migrants move when equilibrium occurs.
- [3] agglomeration and localisation occurs in the economy.
- [4] migrants calculate present value of urban expected income and move if it exceeds average rural income.
- [5] none of the above

3.11 When MNC's reduce their tax payment in different host countries this is usually done

- [1] via the Harrod-Domar model (savings versus investment of MNC's).
- [2] through technology transfer by MNC's (technological progress).
- [3] by import substitution and export promotion policies of MNC's.
- [4] transfer pricing (an accounting procedure used by MNC's).
- [5] export of profits (MNC's are likely to repatriate profits back to their 'home country').

3.12 When MNC's artificially inflates the price it pays for intermediate products purchased from abroad in an effort to lower stated local profits and pay lower taxes, the MNC is said to be practicing

- [1] portfolio pricing.
- [2] least-squares pricing.
- [3] average cost pricing.
- [4] foreign exchange gap pricing.
- [5] transfer pricing.

3.13 Unlike MNC's, portfolio investors are

- [1] in the development business to make significant changes in less developed countries.
- [2] giving foreign aid to assist developing countries with portfolio and infrastructural projects.
- [3] giving official development assistance in terms of grants and loans.
- [4] investing in middle income countries to increase their returns while diversifying their risks.

3.14 Foreign aid some times referred to as official development assistance is

- [1] humanitarian aid by non governmental organisations for example, Amnesty International, Project Hope and the WWF.
- [2] financial investment by corporations and pension funds for example, Oxfam, Africare, and World Vision.
- [3] investments by multinationals in other countries for example, Doctors without Borders, Habitat for Humanity and Project Hope.
- [4] official public aid for example, a long term loans: 10-20 years, concessional, i.e. below commercial interest rates which is repayable in domestic or foreign currency
- [5] all of the above

3.15 Which of the following is usually considered a key factor influencing the choice and mix of finance for international operations?

- [1] Unsystematic risk.
- [2] Counterparty risk.
- [3] Basis risk.
- [4] Commercial risk
- [5] Currency risk.

3.16 The rationale for development planning exists because

- [1] developing countries tend to have both high market and government failure.
- [2] governments have a shopping list of projects and it will equip them better to solicit foreign assistance and to spend the money wisely.
- [3] developing countries cannot afford to waste their limited financial and human resources.
- [4] it will enlighten central government's economic plan across class, racial, religious and tribal factions.
- [5] all of the above

3.17 Which of one following institutional requirements apply for the operation of effective private markets?

- [1] Rationality constrained by tradition
- [2] Restriction on freedom of information
- [3] Restriction on the flow of information
- [4] Security of persons and property
- [5] Monopolies and monopolistic competition

3.18 The Post-Washington Consensus: Development after the Crisis," the development model put on trial by the global financial crisis was the

- [1] capitalist model.
- [2] Keynesian demand-management model.
- [3] neoliberal model.
- [4] emerging-market model.
- [5] none of the above

3.19 Serious Inadequacies of the Washington Consensus are that it

- [1] does not understand the ultimate engine of growth in a predominantly free market economy.
- [2] is too focussed on trade-led growth.
- [3] forgot the importance governments can play in facilitating technological progress.
- [4] viewed growth as the silver bullet to eliminate poverty.
- [5] all of the above

3.20 As defined in "The Post-Washington Consensus: Development after the Crisis," the assumption that developing countries benefit substantially from greater inflows of foreign capital is known as

- [1] foreign-finance fetish.
- [2] global economic volatility.
- [3] the EU's version of capitalism.
- [4] the American version of capitalism.
- [5] social disruption

End of assignment 03

ECS3707	Semester 01 and 02
Self-Assessment Assignment 02	
Study Unit	1 to 4

Assignment 02 consists of four questions. The questions are based on the contents of **study units 1 to 4** in the study guide. They are typical examination questions but need not necessarily feature in the examination.

Question1

- 1.1 Discuss the nature of development Economics. [6]
- 1.2 Briefly explain the Millennium Development Goals and Target for 2015. [14]

Question 2

- 2.1 Discuss and evaluate graphically the Lewis Theory of Development. [8]
- 2.2 Explain what experiences of the 1950's and 1960's led to the new economic view of development. What was the new definition that flowed from this realization? [8]
- 2.3 Describe the concept self-sustaining growth. [4]

Question 3

Answer the following questions regarding absolute poverty.

- What measures of income poverty are favoured by developing countries?
- How do these measures differ from the UNDP's multidimensional poverty index?
- Why should we be concerned with the measurement of poverty in developing countries?
- How does South Africa compare to the rest of the world concerning income inequality and poverty? [20]

Question 4

4.1 Explain, illustrate and criticise the Malthusian Population Trap. [10]

4.2 Discuss the population poverty cycle. [10]

TOTAL: [80]

ECS3707	Semester 01 and 02
Self-Assessment Assignment 04	
Study Unit	5 to 8

Question 1

- 1.1 Define the concept Urban bias. [3]
- 1.2 Explain the role of cities interns of, agglomeration, urban economies and localization. [6]
- 1.3 Discuss the policy implications the government's must consider the help them succeed with urbanisation policies. [6]

Question 2

- 2.1 Discuss education and health as joint investments for development. [7]
- 2.2 "Child labour is a widespread problem in developing countries". Discuss the main approaches to child labour policy in developing countries today. [8]

Question 3

Argue for and against foreign direct investment (FDI) from a developing country's point of view. [15]

Question 4

"Diversity in Development - Reconsidering the Washington Consensus". Compare the Washington Consensus with Santiago Consensus. [15]

TOTAL: [60]