

ECS3707

MAY/JUNE 2015
MEI/JUNIE 2015DEVELOPMENT ECONOMICS
ONTWIKKELINGSEKONOMIE[illegible][illegible]

FOR USE BY EXAMINATION INVIGILATOR
VIR GEBRUIK DEUR EKSAMENOPSIENER

[illegible]**Subject / Vak**

Number of paper / Vraestelnummer

Date of examination / Datum van examen

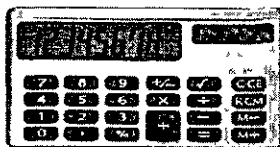
Examination centre / Eksamensentrum

WARNING

- 1 A candidate who without authorisation takes into the examination venue any book, document or object which could assist him in the examination and does not hand over such material to the invigilator before the official commencement of the examination will be guilty of infringing the University's examination regulations and will be liable to punishment as determined by Council
 - 2 Rough work may be done only on the examination question paper and must be labelled as such
 - 3 No notes may be made on any part of the body, such as the hands, or on any garment
 - 4 This page/paper is the property of the University and under no circumstances may the candidate retain it or take it out of the examination venue
- NB PLEASE COMPLETE THE ATTENDANCE REGISTER ON THE BACK PAGE, TEAR OFF AND HAND TO THE INVIGILATOR**

WAARSKUWING

- 1 'n Kandidaat wat sonder magtiging enige boek dokument of voorwerp wat hom in die eksamen behulpsaam kan wees, in die eksamenlokaal inbring en nalaat om die ongemagtigde materiaal aan die opsiener te oorhandig voordat die eksamen amptelik 'n aanvang neem, sal skuldig wees aan oortreding van die Universiteit se eksamenregulasies en hom blootstel aan straf soos deur die Raad van die Universiteit bepaal mag word
 - 2 Kladwerk mag slegs op die eksamenvraestel gedoen word en moet as sodanig aangedui word
 - 3 Geen aantekeninge mag op enige liggaamsdeel byvoorbeeld die hande, of op enige kledingstuk aangebring word nie
 - 4 Hierdie bladsy/vraestel is die eiendom van die Universiteit en onder geen omstandighede mag 'n kandidaat dit behou of uit die eksamenlokaal neem nie
- NB VOLTOOI ASSEBLIEF DIE BYWONINGSREGISTER OP DIE AGERBLAD, SKEUR AF EN OORHANDIG AAN DIE OPSIENER**

**ECS3707**May/June 2015
Mei/June 2015**DEVELOPMENT ECONOMICS
ONTWIKKELINGSEKONOMIE**Duration 2 Hours
Tydsduur 2 Uur100 Marks
100 Punte**EXAMINERS / EKSAMINATORE**

FIRST / EERSTE	MRS/MEV R BEZUIDENHOUT
SECOND / TWEDE	MS/ME NW GAMEDE
EXTERNAL / EKSTERNE	MR/MNR FK SIEBRITS

Use of a non-programmable pocket calculator is permissible
 Gebruik van 'n nie-programmeerbare sakrekenaar is toelaatbaar

Closed book examination
 Toeboekeksamen

This examination question paper remains the property of the University of South Africa and may not be removed from the examination venue
 Hierdie eksamenvraestel bly die eiendom van die Universiteit van Suid-Afrika en mag nie uit die eksamenlokaal verwyder word nie

This paper consists of 21 pages including 3 pages for rough work (pp 19 to 21) plus the special front page

Hierdie vraestel bestaan uit 21 bladsye insluitende 3 bladsye vir rofwerk (pp 19 tot 21) plus die spesiale voorblad

STUDENT NUMBER / STUDENTENOMMER									

This paper consists of Section A and Section B. Section A is compulsory and represents 40 marks. Answer ALL questions from Section A. Choose ANY THREE questions from section B. Section B represents 60 marks.

Hierdie vraestel bestaan uit afdelings A en B. Afdeling A is verpligtend en verteenwoordig 40 punte. Beantwoord ALLE vrae in afdeling A. Kies ENIGE DRIE vrae in afdeling B. Afdeling B verteenwoordig 60 punte.

[TURN OVER]
[BLAAI OM]

SECTION A: COMPULSORY
AFDELING A: VERPLIGTEND**QUESTION 1 / VRAAG 1**

- 1 1 Discuss the role that values play in development economics and why there is a need to go beyond simple economics
- 1 1 Bespreek die rol van waardes in ontwikkelingseconomie. Waarom is daar 'n behoefte om verder as gewone ekonomie te kyk? (4)

[TURN OVER]
[BLAAI OM]

- 1 2 It has been widely held that the Solow Growth model can predict differences in growth rates across countries in qualitative terms, but not in quantitative terms. Explain equilibrium in the Solow Growth model (10)
- 1 2 Dit word wyd erken dat die Solow Groei model verskille in groei koerse tussen lande in kwalitatiewe terme kan voorspel, maar nie in kwantitatiewe terme nie. Verduidelik ewewig in die Solow Groei model (10)

[TURN OVER]
[BLAAI OM]

1 3 Explain what causes armed conflict and risk factors of armed conflict? (5)

1 3 Verduidelik wat veroorsaak gewapende konflik en die risiko faktore van gewapende konflik? (5)

1 4 Compare and contrast the three basic types of planning models aggregate growth models, input-output analysis and project appraisal (6)

1 4 Vergelyk en kontrasteer drie basiese tipes beplanningsmodelle total groei modelle, inset-uitset analiseses en projekbeoordeling (6)

[illegible]

(5 x 3 marks each = 15)

(5 x 3 punte elk = 15)

- (i) False paradigm model
- (i) Vals paradigma model

(ii) Multidimensional Poverty Index

(ii) Multi-dimensionele Armoede Indeks

(iii) Population pyramid

(iii) Bevolkingspiramide

(iv) Educational certification

(iv) Onderrig sertifikasie

[TURN OVER]
[BLAAI OM]

(v) Harris-Todaro model

(v) Harris-Todaro model

(15)

[40]

[TURN OVER]
[BLAAI OM]

SECTION B: ANSWER ANY 3 QUESTIONS
AFDELING B: BEANTWOORD ENIGE 3 VRAE**QUESTION 1 / VRAAG 1**

- 1 1 Over the last decade Amartya Sen's Capability Approach (CA) has emerged as the leading alternative to standard economic frameworks for thinking about poverty, inequality and human development generally. Explain how this approach will help us to gain insight into development goals achievements (5)
- 1 1 Gedurende die vorige dekade het Amartya Sen se Bevoegdheidsbenadering as 'n leidende alternatief te voorskyn gekom vir gewone ekonomiese denke oor armoede, ongelykheid en menslike ontwikkeling. Verduidelik hoe die benadering kan help om meer insig te bekom oor die bereiking van ontwikkelingsdoelwitte (5)

[TURN OVER]
[BLAAI OM]

-
- This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- [illegible]

[TURN OVER]
[BLAAI OM]

QUESTION 2 / VRAAG 2

2 1 The following income distribution data are for Country X

2 1 Die volgende inkomste verdelings data is van Land X

Quintile / Kwantiel	Percentage share / Persentasie aandeel
Lowest / Laagste 20%	3%
Second quintile / tweede kwantiel	11%
Third quintile / derde kwantiel	17%
Fourth quintile / Vierde kwantiel	23%
Highest / Hoogste 20%	46%
Highest / Hoogste 10%	20%

(a) Draw the Lorenz curve, labeling the axes (5)

(a) Teken die Lorenz kromme en benoem die asse (5)

[TURN OVER]
[BLAAI OM]

(b) How would the Gini coefficient be calculated according to your graph? (3)

(b) Hoe word die Gini koeffisient bereken volgens die grafiek? (3)

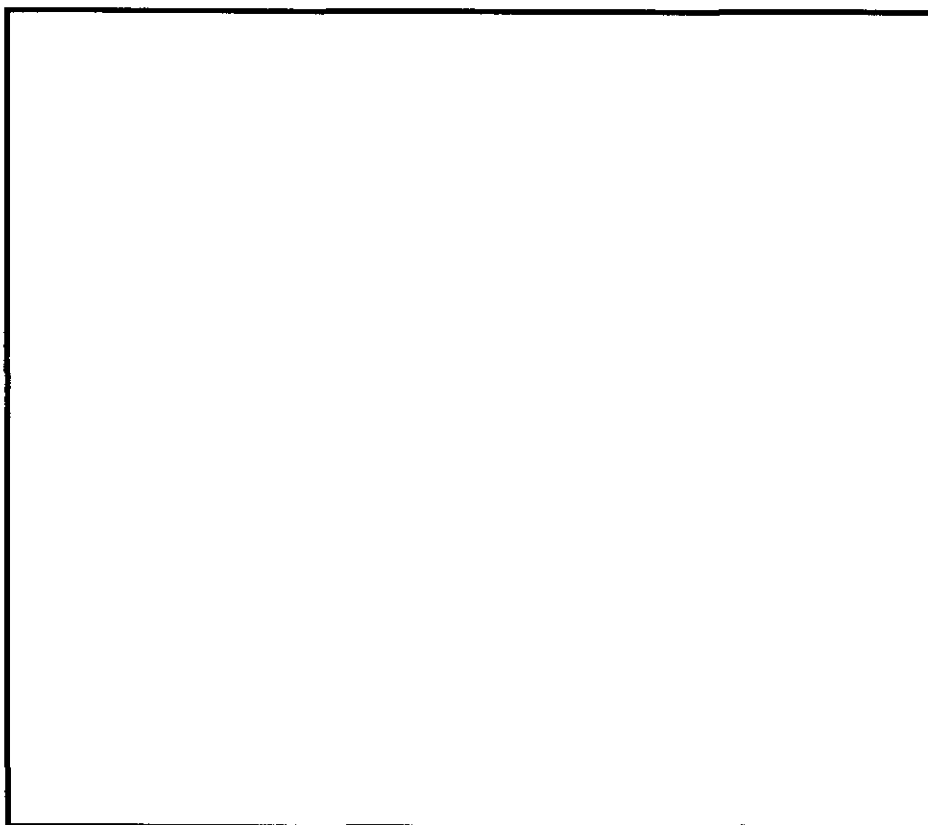
2.2 Distinguish between the rate of population increase, natural increase, net international migration, crude birth rate and total fertility rate (5)

2.2 Onderskei tussen bevolkingskoers toename, 'n natuurlike toename, totale internasionale migrasie, die onverwerkte geboortesyfer en totale vrugbaarheidskoers (5)

- | | | |
|-----|---|-----|
| 2 3 | Discuss the theoretical argument, population poverty cycles, by referring to the standard Solow type neoclassical growth equation | (7) |
| 2 3 | Bespreek die teoretiese argument, bevolkings-armoede-siklusse, deur te verwys na 'n standard Solow tipe neo-klassieke vergelyking | (7) |

QUESTION 3 / VRAAG 3

- 3.1 Explain the financial trade-offs involved in the choice whether or not to receive education beyond secondary level. Make use of a diagram to illustrate your answer. (10)
- 3.1 Verduidelik die finansiële afkoping wat betrokke is by die keuse om verdere onderrig te ontvang na sekondêre skooling. Maak gebruik van 'n diagram om die antwoord te verduidelik. (10)



[TURN OVER]
[BLAAI OM]

3.2 The informal sector is becoming a larger part of the urban economy. Distinguish between the urban informal and informal sectors. Discuss both the positive and negative aspects of the informal labour market. (10)

3.2 Die informele sektor vorm 'n al hoe groter deel van die stedelike ekonomie. Onderskei tussen stedelike informele en informele sektore. Bespreek beide die positiewe en negatiewe aspekte van die informele mark. (10)

4.1	A R500m investment by Swiss multinational Nestle in 2012 is an example of an investment that was creating jobs. Summarise the arguments for and against the role and impact of private foreign direct investment in South Africa.	(8)
4.1	R500 miljoen investering deur die Switserse multinasionale maatskappy, Nestlé is 'n voorbeeld van investering wat werkskepping veroorsaak. Gee 'n samevatting van die argumente vir en teen die rol van private direkte buitelandse investering in Suid-Afrika.	(8)

[illegible]

4 2 Differentiate between economic plan, government failure and political will (6)

4 2 Onderskei tussen ekonomiese plan, owerheidsmislukking en politieke wilskrag (6)

4 3 Corruption in South Africa has reached epidemic levels and threatens the lives of all South African citizens. Discuss the impact of corruption in South Africa and outline strategies to reduce it (6)

4 3 Korrupsie is besig om epidemiese vlakke in Suid-Afrika te bereik en dit bedreig die lewensgehalte van alle Suid-Afrikaners. Bespreek die impak van korrupsie in Suid-Afrika en omskryf strategie om dit te verminder (6)

[20]

TOTAL / TOTAAL [100]

[TURN OVER]
[BLAAI OM]

ROUGH WORK / ROFWERK**[TURN OVER]
[BLAAI OM]**

ROUGH WORK / ROFWERK

[TURN OVER]
[BLAAI OM]

ROUGH WORK / ROFWERK