

INTRODUCTION TO THE ECONOMICS OF DEVELOPING COUNTRIES – ECO 2117C
QUIZ FOR FINAL EXAM

Lecture 6: Urbanization and Rural-Urban Migration: Theory and Policy

Questions

1. Explain the problems associated with urbanization.
 2. What is informal sector? What are the characteristics associated to it?
 3. Women and informal sector in developing countries?
 4. The Harris-Todaro migration model: show how this model allows understanding the rural-urban migration.
 5. What is expected income and efficiency wage?
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Lecture 7: Human Capital: Education and Health in Economic Development

Questions

6. What are the components of human capital?
 7. Social and private costs/benefits of education?
 8. Do educational systems in developing countries decrease income inequality and poverty?
 9. Education and brain drain?
 10. Define health system. Give some reasons leading to an unequal distribution in health outcomes in developing countries.
 11. Explain the conditional cash transfer (CCT): enumerate the “conditionalities” of the CCT, and show why the program can be viewed as a key component of a successful policy to end poverty by explaining its impact.
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Lecture 8: International Trade Theory and Development Strategy

Questions

12. Explain the Prebisch-Singer hypothesis
13. Define the commodity terms of trade.
14. What is income elasticity of demand of primary goods?
15. Show the impacts of low income elasticity of demand and volatile price fluctuations on the export earnings.
16. The North-South model of unequal trade?
17. The Vent-For-Surplus theory of trade?
18. Nominal Rate of Protection and Effective Rate of Protection?

19. What are the effects of a tariff on consumer surplus, producer surplus and government revenue?
 20. What is the relationship between infant industry and inward-looking development policy (import substitution)?
 21. Comparative advantage and specialization?
 22. What are the components of current account?
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Lecture 9: Foreign Finance, Investment, and Aid: Controversies and Opportunities

Questions

23. What are the arguments for and against the impact of FDI on economic development?
 24. Why donors give aid?
 25. Why recipient countries accept aid?
 26. Does aid work?
 27. What is tied aid?
 28. Show how favourable institutions can be used to explain the Botswana's economic success.
 29. What are the main sources of external funding for developing countries?
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Lecture 10: Balance of Payments, Debt, Financial Crises, and Stabilization Policies

Questions

30. What are the components of current account?
 31. What are the components of capital account?
 32. Explain the factors that may lead to current account and capital account deficits.
 33. Explain the stabilization policies recommended by the IMF to solve for macroeconomic instability in developing countries.
 34. What are the problems associated with this stabilization program?
 35. South Korea is one of the great long-term success stories. The export-promotion oriented industrial policy plays an important role in this success. Enumerate some of these export promotion oriented industrial policy interventions.
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Lecture 11: Long-Run Causes of Comparative Development

Questions

36. Enumerate and discuss about the factors that explain the extreme variations in economic development achievement to date among developing and developed countries?

Lecture 12: Making Microfinance Work for the Poor: The Grameen Bank of Bangladesh

Questions

37. Why limited access to credit can be viewed as one of the major financial problems facing poor people. Give some concrete examples.
38. What are the factors leading to the fact that the Grameen Bank exhibited a higher repayment rate?

Appendix 3.2: The Solow Neoclassical Growth Model

Questions

39. What the factors that impact on the equilibrium capital-labor ratio? Why the equilibrium capital per capita is a stable equilibrium?
40. Explain constant returns to scale, and diminishing returns in the use of factors.

Important Notes:

Since the final exam is cumulative (i.e. it covers all topics discussed during the semester), you should also review the quiz for the midterm exam, assignments 1 and 2.