

Written Exam for the B.Sc. or M.Sc. in Economics summer 2014

**Development Economics**

Final Exam

June 10<sup>th</sup>, 2014

(3-hour closed book exam)

Please note that the language used in your exam paper must correspond to the language of the title for which you registered during exam registration. I.e. if you registered for the English title of the course, you must write your exam paper in English. Likewise, if you registered for the Danish title of the course or if you registered for the English title which was followed by “eksamen på dansk” in brackets, you must write your exam paper in Danish.

**This exam question consists of 2 pages in total**

Please answer ALL questions.

### **Problem A**

Please explain briefly

1. The meaning of *dualism* and *dual societies*.
2. Two possible barriers to international technology transfer.
3. The principal economic characteristics of high-poverty groups.
4. The characteristics of those who migrate from rural to urban areas.
5. Why tenant laws that confer permanent use rights may have counterproductive effects on the security of the tenant.
6. The Prebisch-Singer Hypothesis
7. Motives for allocation of foreign direct investment, remittances and foreign aid.

### **Problem B**

Please explain the nutrition based efficiency wage model. Discuss the main assumptions and conclusions of the model. Explain and illustrate the effect on labor supply of a reallocation of land from large farmers to landless laborers.

### **Problem C**

Please describe the "three worlds of agriculture" and explain for each world agriculture's role in development. Discuss the role of technological and institutional change in successful agricultural development.