

Written Exam for the B.Sc. in Economics Summer 2010

Development Economics, B.Sc.

Final exam
June 14, 2010

(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.

If you are in doubt about which title you registered for, please see the print of your exam registration from the students' self-service system.

Problem A

Please explain briefly:

1. Why a “big push” may be necessary in order to kick start economic development.
2. The theory behind the Kuznets curve.
3. The Gini coefficient and its relationship with the Lorentz curve.
4. The concept of sharecropping and some motivations for the existence of this particular agrarian institution.
5. Why the number of people living on less than a dollar a day is larger when we calculate it using market exchange rates instead of purchasing power exchange rates.
6. The main message of the Lewis model.
7. How one may use the Solow model to quantify productivity differences across countries
8. The relationship between productivity (A), technology (T), and efficiency (E).

Problem B

Please outline the O-Ring theory and explain how it may aid us in understanding cross country income differences.

Problem C

Please provide a discussion of the importance of geography, climate, and natural resources in the process of economic development.