

Written Exam for the B.Sc. in Economics summer 2011

Development Economics

Final Exam

June 7th, 2011

(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. How the “poverty headcount ratio” and the “squared poverty gap” are defined.
2. The main assumptions and messages of the Harris-Todaro model.
3. The meaning of the term “population growth momentum”.
4. Why common property resources are often over-exploited.
5. The main meaning of the term “import-substitution strategy”.
6. The main theories and evidence on the relationship between farm size and agricultural productivity.
7. The main barriers to transfer of technology from developed- to developing countries?
8. The rationale for microfinance institutions to use group lending rather than individual lending.

Problem B

Please outline the theory of work capacity, nutrition and wages and explain how it may aid us in understanding poverty, labor supply, unemployment and the effects of asset redistribution in developing countries.

Problem C

Please provide a discussion of the importance of economic inequality in the process of economic development.