

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

Development Economics

Final Exam

August 9, 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. The meaning of the term “dual economy”.
2. The difference between the “lenders risk” and “lenders monopoly” theories of interest rates in informal credit markets.
3. The Gini coefficient and how it is related to the Lorenz curve.
4. The meaning of the term “development accounting”.
5. The main message of Kaushik Basu’s multiple equilibrium model of child labor.
6. How and why social returns to secondary and tertiary schooling may differ from private returns in developing countries.
7. The meaning of the term “sustainable net national income”.
8. The main explanations for “urban giantism” in developing countries.

Problem B

Please explain the differences between fixed rent- and sharecropping land rental contracts and outline the main theoretical arguments explaining the existence of sharecropping.

Problem C

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