



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
MARCH 2025 SEMESTER**

COURSE CODE : EGB30803
COURSE NAME : ECONOMIC DEVELOPMENT
PROGRAMME NAME : BACHELOR OF SCIENCE (HONOURS) IN
ANALYTICAL ECONOMICS
DATE : 28 JUNE 2025
TIME : 9.00 AM – 12.00 PM
DURATION : 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please **CAREFULLY** read the instructions given in the question paper.
2. This question paper has information printed on both sides of the paper.
3. This question paper consists of **FOUR (4) Questions**.
4. Answer **ALL** questions.
5. Please write your answers in the answer booklet provided.
6. All questions must be answered in **English** (any other language is not allowed).
7. This question paper must not be removed from the examination hall.

THERE ARE TWO (2) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

INSTRUCTION: Answer ALL questions.
Please use the answer booklet provided.

Question 1

- (a) Explain why purchasing power parity measures of income levels tend to show a smaller difference between poor and rich countries?

(10 marks)

- (b) Discuss the three indicators of the Human Development Index (HDI). What are some strengths and weaknesses of the HDI as a comparative measure of human welfare?

(15 marks)

Question 2

- (a) Discuss the five stages of Rostow's stages of economic growth theory.

(15 marks)

- (b) Examine one important criticism of Rostow's stages of economic growth theory.

(10 marks)

Question 3

- (a) Increasing GDP is a necessary but not a sufficient condition for improving living standards in less developed countries. State whether this is true or false and analyse your answer.

(10 Marks)

- (b) Generally, high-income countries tend to have low income inequality in comparison to low-income nations. However, this is not always true as some low-income countries have low income inequality. What could be the factor(s) for these low-income nations to have small income inequality?

(15 marks)

Question 4

- (a) What is meant by the demographic transition? Elaborate on the differences in the demographic transition between developed and developing countries.

(10 marks)

- (b) What is the relationship between the age structure of a population and its dependency burden? Evaluate the possible level of dependency burden in developing countries.

(15 marks)

END OF EXAMINATION PAPER