CONFIDENTIAL

# UNIVERSITI KUALA LUMPUR
## BUSINESS SCHOOL

# FINAL EXAMINATION
## JULY 2025 SEMESTER

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|---|---|---|
| COURSE CODE | : | EGB30803 |
| COURSE NAME | : | ECONOMIC DEVELOPMENT |
| PROGRAMME NAME | : | BACHELOR OF SCIENCE (HONOURS) IN ANALYTICAL ECONOMICS |
| DATE | : | 20 SEPTEMBER 2025 |
| TIME | : | 2.00PM – 5.00PM |
| 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 **TWO (2) Sections; Section A and Section B**.
4. Answer **ALL** questions in **Section A and Section B**.
5. Please write your answers on 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 FOUR (4) PAGES OF QUESTIONS, INCLUDING THIS PAGE.**

**SECTION A (Total: 40 Marks)**

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

**Question 1**

(a) Explain with examples the following terms:

(i) Linear-stages-of-growth model

(8 marks)

(ii) Structural change model

(8 marks)

(iii) Michael Kremer's O-Ring Theory

(8 marks)

(iv) The Hausmann-Rodrik-Velasco Growth Diagnostics Framework

(8 marks)

(v) Lorenz Curve and Gini coefficient

(8 marks)



**SECTION B (Total: 60 Marks)**

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

**Question 2**

Taking South Korea as example, apply the **Solow Model** to illustrate how would technological advancement expand economic development.

(10 marks)

**Question 3**

Use the **Harris-Todaro migration model** to explain how urbanization and rural-to-urban migration can contribute to economic development in low-income countries.

(10 marks)

**Question 4**

Recognize that low-income countries particularly need foreign aid from high-income countries, discuss how **private foreign direct investment and foreign aid** can further help local economic development.

(10 marks)

**Question 5**

Elaborate the process how **microfinance and fiscal policies** can support economic development in low-income countries.

(10 marks)

**Question 6**

In the face of globalization, justify how **industrialization strategies** through promoting **exports and reducing import tariffs** can support middle-income countries in upgrading to high-income countries.

(20 marks)



**END OF EXAMINATION PAPER**