



UNIVERSITI KUALA LUMPUR  
BUSINESS SCHOOL

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**FINAL EXAMINATION**  
**OCTOBER 2025 SEMESTER**

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COURSE CODE : EGB30803  
COURSE TITLE : ECONOMIC DEVELOPMENT  
PROGRAMME NAME : BACHELOR OF SCIENCE (HONS) IN ANALYTICAL ECONOMICS  
DATE : 26 JANUARY 2026  
TIME : 9:00AM -12:00PM  
DURATION : 3 HOURS

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**INSTRUCTIONS TO CANDIDATES**

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1. Please read the instructions given in the question paper CAREFULLY.
2. This question paper is printed on both sides of the paper.
3. This question paper consist of ONE sections.
4. Section A consist of five questions. Answer FOUR (4) questions only.
5. Please write your answer on the answer booklet provided.
6. Please answer all questions in English only.
7. Refer to the attached Formula/ Appendies.  Tick if applicable

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THERE ARE 6 PAGES OF QUESTIONS INCLUDING THIS PAGE

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**SECTION A (Total: 100 marks)**

Answer FOUR (4) questions.

Please use the answer booklet provided.

**Question 1**

In 2025, the Indonesian government launched a historic Free Nutritious Meal programme to tackle malnutrition among children and pregnant women. The policy plans to provide free school meals to 83 million people and spend roughly \$28 billion through 2029, aiming to improve health, reduce poverty-related hunger, and boost future productivity. However, implementation challenges such as early food poisoning incidents and fiscal pressure have sparked debate on policy design and effectiveness.

Using the case of Indonesia's free nutritious meal programme, answer the following questions:

- (a) Explain how the Free Nutritious Meal programme policy is significant to human development.

(8 marks)

- (b) Discuss how the implementation challenge in Indonesia's free meals programme such as food safety incidents or fiscal constraints could weaken its impact on human development and propose one institutional reform or monitoring mechanism that would strengthen the programme's safety and overall effectiveness.

(8 marks)

- (c) Discuss how malnutrition and limited access to adequate food would contribute to multidimensional poverty and propose the public policies for each possible deprivations other than free meals that could further reduce multidimensional poverty in these areas.

(9 marks)

**Question 2**

In rural Bangladesh, thousands of children suffer from soil-transmitted helminth infections, a neglected tropical disease that causes anaemia, stunting, and reduced cognitive ability. Many infected children miss school repeatedly or drop out early to work in low-paid farm labour to support household income. Weak rural health systems and limited access to sanitation allow the disease to spread easily. The cycle of poor health, low schooling, and child labour limits future earning ability and traps families in long-term poverty.

Using the above case study, answer the following questions:

- (a) Explain how helminth infections contribute to long-term poverty through their effects on child health and productivity. In your answer, refer to DALY (Disability-Adjusted Life Year) and explain why these infections impose a high disease burden in developing countries.

(8 marks)

- (b) Discuss how repeated illness and poor nutrition affect school attendance, learning outcomes, and the returns to education. Explain why households may choose child labour over schooling when facing health shocks, drawing on the concepts of human capital investment and opportunity costs.

(9 marks)

- (c) Propose two policy interventions that could break the cycle of disease, low education, and child labour in communities like the one described. Explain how each policy improves human capital and long-term development outcomes.

(8 marks)

**Question 3**

The Tiruppur knitwear cluster in Tamil Nadu, India, is one of the world's largest garment manufacturing hubs. Its growth accelerated in the 1990s as rural–urban migrants, especially from drought-prone districts, moved into the city seeking employment. Located outside India's primate city (Mumbai), Tiruppur became a secondary growth pole, reducing pressure on megacities. The cluster is characterised by agglomeration economies, specialised dyeing units, knitting workshops, and exporters located close together alongside a large informal sector of home-based workers, subcontractors, and credit networks. These informal structures allowed small firms to enter and scale rapidly despite limited access to formal finance.

Using the above case study, answer the following questions:

- (a) Explain how rural–urban migration contributed to the growth of the knitwear cluster and why secondary industrial towns like Tiruppur reduce pressure on primate cities such as Mumbai or Delhi. (8 marks)
- (b) Analyse the role of informal-sector mechanisms in enabling rapid entry and survival of small producers in Tiruppur. (6 marks)
- (c) Clarify how agglomeration economies and industrial clustering affect the development in Tiruppur. (6 marks)
- (d) Explain the advantage and limitation of relying on cluster-based growth as in the case study. Propose one government policy that would support more inclusive and sustainable growth within the cluster. (5 marks)

**Question 4**

Answer the following questions on Integrated Rural Development Programme:

- (a) Explain why rural development needs to extend beyond agricultural growth to encompass social infrastructure, non-farm activities, equity, and sustainability.  
(7 marks)

- (b) Evaluate the importance of integrating agricultural, social, economic, and institutional components in rural development planning.  
(8 marks)

- (c) "Integrated rural development will fail without strong institutions and genuine participation from rural communities."

Discuss this statement with reference to governance issues affecting the rural development.

(10 marks)

**Question 5**

Answer the following questions on credit and finance for development:

- (a) Explain why Rotating Savings and Credit Association (ROSCA) has been a preferred savings and credit mechanism for low-income households even with the availability of microfinance institutions. Evaluate their key strengths and limitations in supporting long-term financial development and entrepreneurship.  
(10 marks)
- (b) Using evidence from the Grameen Bank model, analyse how microcredit contributes to entrepreneurship and women's empowerment, and critically assess the risks associated with microcredit dependence.  
(8 marks)
- (c) Discuss how remittances contribute to household welfare, poverty reduction, and balance-of-payments stability, and evaluate the risks that arise when economies become dependent on remittance inflows.  
(7 marks)

**END OF EXAMINATION PAPER**