



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2025_1 EXAMINATION**

COURSE TITLE: DEVELOPMENT ECONOMICS I

COURSE CODE: ECO347

UNITS: 2

TIME ALLOWED: 2 HOURS

INSTRUCTION: ANSWER THREE (3) QUESTIONS. QUESTION ONE (1) IS COMPULSORY.

Question 1(a): In discussing the contributions of Karl Marx to the theory of economic development, three salient points are raised. List and explain two of these points. **(10marks)**

Question 1(b): Explain the following terms (i) Laissez- faire (ii) Surrogate Markets (iii) Division of Labour (iv) Human Development Index (HDI) (v) Stationary state, as explained by Adam Smith. **(2marks each)**

Question 1(c): Like all other economic theories, Karl Marx's theory was criticised by scholars, however the theory still has relevance to a country like Nigeria. Discuss. **(10 marks).**

Question 2(a): What are the four (4) criteria necessary for development to take place. **(4marks)**

Question 2(b): Given the values below, calculate the GDP deflator for each year. **(6marks)**

Year	Nominal GDP	Real GDP	GDP Deflator
2019	5,000	5,000	
2020	8,500	7,300	
2021	10,600	8,300	

Question 2(c): Give five (5) criticisms of Harrod-Domar Models? **(10Marks)**

Question 3(a): Walt W. Rostow listed five stages which he believed the advanced countries passed through before they got to the stage of development. Mention the stages and explain the third stage. **(15marks)**

Questions 3(b): Briefly explain the Romer model and state the three ways new knowledge can enter into the production process. **(5marks)**

Question 4: The Developing Countries are faced with environmental problems peculiar to them. In a tabular form, mention five (5) of these problems and also state the causes and effects of the problems. **(20marks)**