



MAASAI MARA UNIVERSITY

REGULAR UNIVERSITY EXAMINATIONS

2018/2019 ACADEMIC YEAR

THIRD YEAR FIRST SEMESTER

**SCHOOL OF BUSINESS AND ECONOMICS
BACHELOR OF SCIENCE IN ECONOMICS**

COURSE CODE: ECO 3109

COURSE TITLE: DEMOGRAPHIC ECONOMICS

DATE: 13TH DECEMBER 2018

TIME: 8.30 -10.30AM

INSTRUCTIONS TO CANDIDATES

Answer Question **ONE** and any other **THREE** questions

This paper consists of 3 printed pages. Please turn over.

QUESTION ONE

- a) i) Discuss the theory of demographic transition. **(5marks)**
ii). Explain with example and illustration which stage Kenya in the demographic transition seems to be **(3marks)**
- b) Explain the relationship between a Lorenz curve and Gini coefficient **(3marks)**
- c) Discuss the essential assumptions and features of Lewis –Fei-Ranis surplus labour model. **(5marks)**
- d) Explain the relationship between the age structure of a population and its dependency burden. **(5marks)**
- e) Discuss the optimum theory of population. **(4marks)**

QUESTION TWO

- a) i) Discuss the coale-Hoover thesis about adverse effects of population growth on savings and capital formation. **(4marks)**
ii) On what grounds should this thesis be rejected? **(3marks)**
- b) i) Describe the classical flexible wages model of employment determination. **(3 marks)**
ii) What way can this model be said there never be unemployment? **(2 marks)**
- c) Discuss the concept of optimal amount of inequality. **(3marks)**

QUESTION THREE

- a) Explain why many economists blame minimum wage law for much of employment problems of youth. **(4marks)**
- b) Discuss three distinct conceptualizations of the likely response to population according to Bilshorow (1987). **(3marks)**
- c) i) Explain the Malthusian theory of population trap. **(5marks)**
ii) Is this theory applicable to Kenyan population? **(3marks)**

QUESTION FOUR

- (a) Explain the factors that cause the international migration of high level of educated manpower from less developed counties to developed counties. **(5marks)**
- b) Explain how the so-called household or micro-economics of fertility relates to the theory of consumer choice. **(4marks)**

- c) i) Explain the concept of hidden momentum of population growth. **(3marks)**
- ii) Discuss how this concept is important for projecting future population trends in different third world countries. **(3marks)**

QUESTION FIVE

- a) Explain economic and social policies the governments of developing and developed countries and international assistance agencies might consider to bring about a reduction in overall rates of world population growth. **(6marks)**
- b) Explain the following concepts as used in demographic economics **(6marks)**
- i. Crude death rate
 - ii. Replacement fertility
 - iii. Infant mortality rate
 - iv. Doubling time
 - v. Population policies
 - vi. Overlapping generation models
- c) Discuss conditions necessary for economic growth to translate into improvements in the quality of life. **(3marks)**

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